

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended
December 31, 2005**

**The Consolidated Government
of the City of Baton Rouge and
Parish of East Baton Rouge,
Louisiana**

**Prepared by
Finance Department
David M. Medlin, CPA, Director**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-2-06

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

TABLE OF CONTENTS

**Exhibit Page
Number**

INTRODUCTORY SECTION

Letter of Transmittal	v
Certificate of Achievement for Excellence in Financial Reporting	xiii
Principal Officials	xiv
Organizational Charts	xvi

FINANCIAL SECTION

Independent Auditors' Report	I
Management's Discussion and Analysis	3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets	A-1	17
Statement of Activities	A-2	18

Fund Financial Statements:

Governmental Funds:

Balance Sheet	A-3	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets ...	A-4	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-5	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	A-7	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Library Board of Control Special Revenue Fund	A-8	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Grants Special Revenue Fund	A-9	34

Proprietary Funds:

Statement of Net Assets	A-10	40
Statement of Revenues, Expenses, and Changes in Fund Net Assets	A-11	42
Statement of Cash Flows	A-12	43

Fiduciary Funds:

Statement of Fiduciary Net Assets	A-13	45
Statement of Changes in Fiduciary Net Assets	A-14	46

Discretely Presented Component Units:

Combining Statement of Net Assets	A-15	48
Combining Statement of Activities	A-16	56

Notes to the Financial Statements	A-17	61
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Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet	B-1	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	140
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - From Inception - Capital Projects Fund	B-3	145

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

	<u>Exhibit</u>	<u>Page Number</u>
Combining and Individual Fund Statements and Schedules (Continued):		
Nonmajor Governmental Funds (Continued):		
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued):		
Juror Compensation Special Revenue Fund	B-4	146
City Constable Court Costs Special Revenue Fund	B-5	147
Mosquito Abatement and Rodent Control Special Revenue Fund	B-6	148
Downtown Development District Special Revenue Fund	B-7	149
Gaming Enforcement Division Special Revenue Fund	B-8	150
City Court Judicial Building Special Revenue Fund	B-9	151
Animal Control Center Special Revenue Fund	B-10	152
Federal Forfeited Property Special Revenue Fund	B-11	153
East Baton Rouge Parish Communications District Special Revenue Fund	B-12	154
Emergency Medical Services Special Revenue Fund	B-13	155
Baton Rouge Fire Department Pay Enhancement Fund	B-14	156
Consolidated Road Lighting District No. 1 Special Revenue Fund	B-15	157
Parish Transportation Special Revenue Fund	B-16	158
Parish Street Maintenance Special Revenue Fund	B-17	159
Consolidated Garbage Service District No. 1 Special Revenue Fund	B-18	160
City Sales Tax Bonds Debt Service Fund	B-19	161
Parish Sales Tax Bonds Debt Service Fund	B-20	162
State and Local Government Securities Debt Service Fund	B-21	163
Taxable Refunding Bonds Debt Service Fund	B-22	164
Excess Revenue and Limited Tax Debt Service Fund	B-23	165
Nonmajor Enterprise Funds:		
Combining Statement of Net Assets	C-1	168
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	C-2	170
Combining Statement of Cash Flows	C-3	171
Internal Service Funds:		
Combining Statement of Net Assets	D-1	174
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	D-2	175
Combining Statement of Cash Flows	D-3	176
Fiduciary Funds - Pension Trust Funds:		
Combining Statement of Fiduciary Net Assets	E-1	178
Combining Statement of Changes in Fiduciary Net Assets	E-2	179
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules By Source	F-1	182
Schedule By Function and Activity	F-2	183
Schedule of Changes By Function and Activity	F-3	184
Nonmajor Component Units - Fire Protection Districts:		
Balance Sheet	G-1	186
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	G-2	187
Statement of Revenues, Expenditures, and Changes in Fund Balances	G-3	188
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	G-4	189

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

TABLE OF CONTENTS

**Exhibit Page
Number**

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):

Nonmajor Component Units - Fire Protection Districts (Continued):

Schedules of Revenues, Expenditures, and Changes in Fund Balances -

Budget and Actual:

Brownsfield Fire Protection District	G-5	190
Chaneyville Fire Protection District	G-6	191
Pride Fire Protection District	G-7	192
Alsen - St. Irma Lee Fire Protection District	G-8	193

Schedules (Supplementary Financial Information):

Combined Schedule of Cash, Cash Equivalents and Investments	H-1	196
Employees' Retirement System:		
Revenue by Source and Expenses by Type	H-2	199
Schedules of Funding Progress and Employer Contributions	H-3	200

STATISTICAL SECTION (UNAUDITED)

Financial Trends Information:

Net Assets by Component, Last Five Fiscal Years	I-1	203
Changes in Net Assets, Last Five Fiscal Years	I-2	204
Governmental Activities Tax Revenues By Source, Last Five Fiscal Years	I-3	206
Fund Balances of Governmental Funds, Last Ten Fiscal Years	I-4	208
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	I-5	210
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	I-6	212

Revenue Capacity Information:

Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	I-7	214
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	I-8	216
Principal Property Taxpayers, Current Year and Nine Years Ago	I-9	218
Property Tax Levies and Collections, Last Ten Years	I-10	219
Sales Tax Revenues, Last Ten Fiscal Years	I-11	220
Taxable Sales by Category, General Sales and Use Tax, Last Six Fiscal Years	I-12	221

Debt Capacity Information:

Ratios of Outstanding Debt by Type, Last Eight Fiscal Years	I-13	222
Ratios of General Bonded Debt Outstanding, Last Eight Fiscal Years	I-14	224
Direct and Overlapping Governmental Activities Debt, as of December 31, 2005	I-15	226
Legal Debt Margin Calculation, General Obligation Debt, Last Ten Years	I-16	228
Pledged Revenue Coverage, Last Ten Fiscal Years	I-17	229

Demographic and Economic Information:

Demographic and Economic Statistics, Last Ten Calendar Years	I-18	230
Principal Employers, Current Year and Nine Years Ago	I-19	231

Operating Information:

Full-Time Equivalent City-Parish Employees by Fund/Department, Last Ten Fiscal Years	I-20	232
Operating Indicators by Function/Program, Last Ten Fiscal Years	I-21	234
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	I-22	236

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

TABLE OF CONTENTS

SINGLE AUDIT SECTION

	<u>Exhibit</u>	<u>Page Number</u>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		241
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		243
Summary Schedule of Expenditures of Federal Awards		245
Schedule of Expenditures of Federal Awards		
Governmental Activities	Schedule A	246
Business Type Activities	Schedule B	254
Notes to Schedule of Expenditures of Federal Awards		256
Schedule of Findings and Questioned Costs		257
Summary Schedule of Prior Year Findings and Questioned Costs		265
Data Collection Form (Standard Form SF-SAC) - Supplementary Information		271
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance		279
Schedule of Passenger Facility Charges Revenues and Disbursements		282



**Department of Finance
Accounting Division**

City of Baton Rouge
Parish of East Baton Rouge

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Baton Rouge, Louisiana
70821

May 26, 2006

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FAX (225) 389-7831

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge
Parish of East Baton Rouge
Baton Rouge, Louisiana 70802

Dear Mayor-President and Council Members:

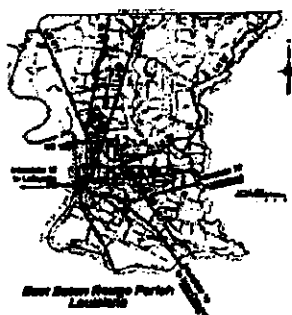
Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2005. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

The City-Parish is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations, is presented immediately following the Statistical Section of this publication.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City-Parish's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government



The Parish of East Baton Rouge was established as a division of government of the *West Florida Republic* in 1810. The Parish later became a local governmental unit of the State of Louisiana and the United States when Louisiana was admitted to the Union in 1812. The City of Baton Rouge was incorporated as a municipality on July 6, 1817. These two government entities operated as separate local government units until January 1, 1949. At an election on August 12, 1947, the voters of both the parish and the city adopted the current Plan of Government (as amended) which consolidated the administration of most local government services for the city and the parish. Baton Rouge was one of the first consolidated forms of local government established in the United States. The elected Mayor-President serves as the leader of the executive branch of City-Parish government. The legislative branch is the elected Metropolitan Council, which is composed of 12 district representatives.

The City-Parish provides a full range of services to the general public, including police and fire protection, emergency medical services, public works, public health and social services, public transportation, planning and zoning, economic development, an airport, construction and maintenance of streets and infrastructure, libraries, general administrative services, sewage treatment, and solid waste disposal.



A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

The City-Parish financial reporting entity consists of the following:

- The Primary Government - This is the City-Parish (all funds under the auspices of the Mayor-President and the Metropolitan Council).
- Legally separate component units - These units of government are legally separate from the City-Parish government but have a sufficiently close relationship with the government to warrant inclusion in the consolidated financial report.

The financial statements included in this CAFR are as follows:

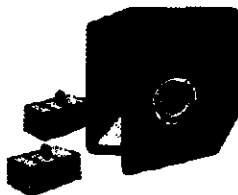
<u>Name of Organization</u>	<u>Type of Unit</u>
▶ The City-Parish	Primary Government
▶ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
▶ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
▶ Nineteenth Judicial District Court	Discrete Component Unit
▶ East Baton Rouge Parish Family Court	Discrete Component Unit
▶ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
▶ Nineteenth Judicial District Indigent Defender Board	Discrete Component Unit
▶ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
▶ Capital Region Planning Commission	Discrete Component Unit
▶ East Baton Rouge Parish Coroner	Discrete Component Unit
▶ Parish Fire Protection Districts	Discrete Component Units
▶ Capital Area Transit System	Discrete Component Unit

An explanation of the accounting policies of the City-Parish is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies is explained in detail in the Notes to the Financial Statements.

Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available. The annual operating budget, or financial plan, is proposed by the Mayor-President and enacted by the Metropolitan Council. Management control for the operating budget is maintained at the fund and department level. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. The Capital Projects Fund budget statement is presented on a project length basis as legally adopted by the Metropolitan Council on Exhibit B-3. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-4 through B-23.

Under the Plan of Government, the Finance Department is entrusted with maintaining accounting systems for the City, Parish, and districts over which the Metropolitan Council is the governing body, in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City-Parish department, office, and agency.



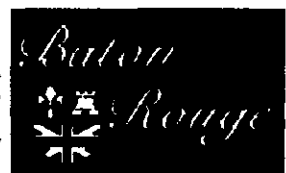
In developing and evaluating the accounting system of the City-Parish, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City-Parish government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls of the City-Parish adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

The City of Baton Rouge is the state capital and, post-Hurricane Katrina, the largest city in Louisiana. Immediately following Katrina, Baton Rouge's population increased significantly with evacuees. According to local economists, the Baton Rouge Metropolitan Statistical Area (MSA) is projected to be the largest MSA in the state in 2006.



Baton Rouge is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City is the principal home of two major state universities: Louisiana State University and Southern University. The North American Free Trade Agreement (NAFTA), approved by Congress in 1993, enables Baton Rouge, because of its location, to take economic advantage of one of the world's largest free trade zones.

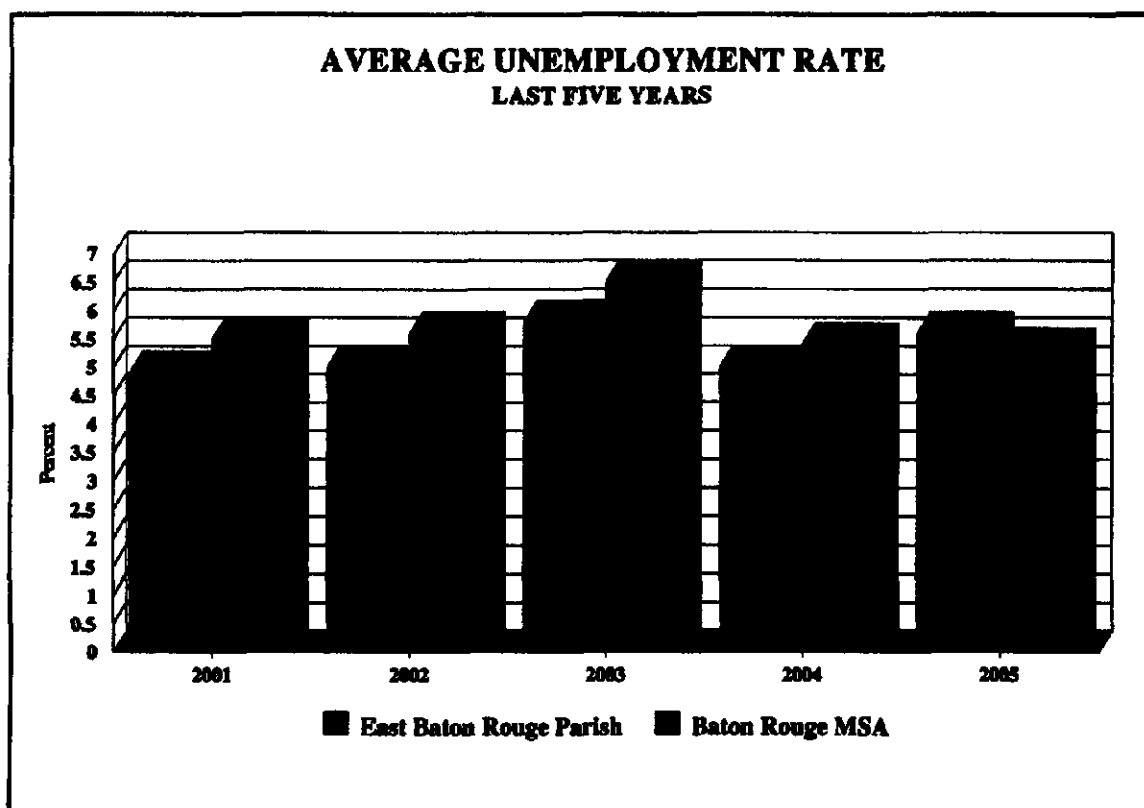
A number of Fortune 500 companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction, banking and financial services, insurance, real estate, and wholesale and retail trade.

According to the Louisiana Department of Labor, the annual average rate of local unemployment in the Baton Rouge MSA fell in 2005, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA</u> ⁽¹⁾
2001	4.9	5.5
2002	5.0	5.6
2003	5.8	6.5
2004	5.0	5.4
2005 ⁽²⁾	5.6	5.3

⁽¹⁾ Metropolitan Statistical Area (includes East Baton Rouge, West Baton Rouge, Livingston, Ascension, East Feliciana, Iberville, Pointe Coupee, St. Helena, and West Feliciana Parishes)

⁽²⁾ Preliminary Figures



The economy of East Baton Rouge Parish has been impacted by Hurricanes Katrina and Rita, experiencing growth in both employment and sales tax collections as a result of unprecedented population growth. Following are comments from Dr. James A. Richardson, Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, on their predictions of sales and use tax revenue growth in East Baton Rouge Parish for 2006.

"The Baton Rouge economy, pre-Katrina, was modestly recovering from the 2001-2002 recession in which the area lost 5,400 jobs. It took two years to recover the jobs lost in 2001-2002, and for 2005 employment growth was expected to be only about 0.2 percent. Overall growth for 2006 and 2007 was projected to be about 4,400 jobs per year or a growth

rate of 1.3 percent. Katrina has, of course, had a powerful impact on the New Orleans area and on the Baton Rouge Metropolitan Area. Some of the impact of Katrina will be temporary, though the definition of temporary may vary from person to person, and some of the impact of Katrina on Baton Rouge will be permanent.

The projected pre-Katrina employment growth for Baton Rouge of 1.3 percent per year is still the baseline expected growth for the next two years. This employment growth, based on the historical relationship between employment growth and sales tax collections, suggests a baseline growth in sales tax collections of between 2.5 percent and 3.5 percent. In 2005, the City-Parish has experienced sales tax growth of almost 6 percent for the first seven months of the year, and a growth rate of about 4.5 percent if the impact of the American Bowling Congress Tournament is discounted. The employment projections do not suggest a sustained 4.5 percent growth in sales taxes. We recommend the City-Parish allow for a 2.5 percent to 3.5 percent growth rate for baseline sales tax collections.

The Katrina impact is subject to assumptions regarding how long many of the New Orleans residents stay in Baton Rouge or, at least, have to shop in the Baton Rouge area; how many may decide to make Baton Rouge a permanent place for business and raising a family; and how quickly New Orleans can get back to normal with houses, schools, shopping, and jobs available. Based on information from the Baton Rouge Chamber of Commerce and school attendance records, it appears that Baton Rouge will have about 50,000 new residents for the duration of 2006. This will lead to additional burdens on the City-Parish in terms of services to be provided and additional sales tax collections. This additional population will augment the sales tax collections for 2006 by about \$4 million to \$5 million. It is not clear that these persons will remain in Baton Rouge permanently. Hence, it would be prudent not to commit these sales tax collections to recurring responsibilities of government at this time."

Growth in general sales and use tax (2 percent) revenues in 2005 for the operations of the City and Parish combined were \$16,005,372 more than 2004 revenues, representing an 11.97 percent increase. Sales tax collections for the ½ percent sewerage tax were \$4,811,092 more than last year and the collections of the ½ percent road and street improvement tax increased from 2004 by \$4,809,918, both an approximate 15.44 percent increase. The general sales and use tax plays a significant role in financing the operations of the General Fund. Based primarily on the projections of Dr. Richardson and Dr. Scott, the City-Parish Metropolitan Council adopted the 2006 General Fund Budget with a sales and use tax growth rate of 3.5 percent for the coming year. Until the level of sustained sales tax growth is determined, excess collections will be used on one-time expenditures such as capital improvement projects.

Major Initiatives in 2005

On May 5, 2005, the Parish issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund the callable portion of the \$43.0 million Series ST - 1999 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.69%; principal refunded - \$32,110,000). Gross cash savings of principal and interest on the refunding were realized by the Comprehensive Sewerage System Fund in the amount of \$1,626,090, and the net economic gain was \$1,157,956, as detailed in Note 10(a)14 of the Notes to Financial Statements.

On November 3, 2005, the Parish issued \$25,855,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to current refund a portion of the \$65.0 million Series ST - 1996 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.66%). The entire principal amount refunded of \$26,100,000 was called on February 1, 2006. Gross cash savings of principal and interest on the refunding were realized by the Comprehensive Sewerage System Fund in the amount of \$1,369,055, and the net economic gain was \$1,153,019, as detailed in Note 10(a)14 of the Notes to Financial Statements.

Long-Term Financial Planning

Sewer Improvement Program

On August 1, 2005, the City-Parish presented an alternative Sanitary Sewer Overflow Capital Improvements Program to the EPA for approval. This alternative program consists of a rehabilitation of the sewer system rather than the construction of the complex tunnel system originally proposed in 2003. The rehabilitation program is designed to provide a more cost efficient means of controlling sewer overflows and providing capacity for the future growth of East Baton Rouge Parish.

One-Half Percent Road and Street Improvement Program

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (½%) sales and use tax for street and road improvements. The proposition offered to voters extended the so-called "pot-hole" tax for an additional 23 years until 2030, and allowed for 70% of the proceeds to be used for the construction of new roads, widening of existing roads, intersection and signalization improvements, as well as other transportation improvements. In this new program, the issuance of bonds was authorized, which will allow for an accelerated road construction schedule and reduce rising costs of projects due to inflation.

During 2005, a series of public hearings was held in each Council District to solicit input from citizens and their elected representatives. The staff of the Department of Public Works prepared a list of transportation improvement projects which offered the greatest congestion relief, provided much-needed connectivity throughout the Parish, were able to be constructed, and provided the best return on investment. Simultaneously, the public was asked to offer projects with the greatest value to the community, which enhanced quality of life and improved the overall aesthetics of the street and road system. This discussion led to the dedication of a portion of the tax (3%) for beautification and street enhancement projects. The remaining portion (27%) will continue the successful road rehabilitation program.

It is anticipated that approximately 750 miles of additional City-Parish streets and roads will be rehabilitated during the next 25 years. The rehabilitation program will continue as it currently functions, with projects prioritized on a six-month basis. The beautification allocation will include projects such as new sidewalk and curb construction, sidewalk repairs and improvements to meet A.D.A. standards, traffic signal synchronization, landscaping, and the maintenance thereof. Special attention will be given to projects which provide safe pedestrian routes to and from area schools and other public facilities.

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax will fund \$831 million in projects to be administered by the City-Parish government. The transportation improvement component will include \$523 million for projects throughout the parish. The remainder of the tax will provide \$308 million for the rehabilitation and beautification components.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 18-year period ending December 31, 2004. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

In addition, the City-Parish also received the GFOA's Award for Distinguished Budget Presentation for its annual operating budget prepared for the fiscal year covered by this Comprehensive Annual Financial Report. This was the fifteenth consecutive year that the department received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, APAC. We thank the Mayor-President and the Metropolitan Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,

David M. Medlin, CPA
David M. Medlin, CPA
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Baton Rouge - Parish
of East Baton Rouge,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



Carla E. Perry

President

Jeffrey R. Ennis

Executive Director

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2005**



**Mayor-President
Melvin "Kip" Holden**



**District 1
Wayne Carter**



**District 2
Ulysses Z. Addison, Jr.**



**District 3
Pat Culbertson**



**District 5
Charles Kelly**



**District 6
Martha J. Tassin**



**District 7
Byron Sharper**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2005**



President Pro-Tempore
District 4
Joseph "Joe" Greco



District 8
J. Michael "Mike" Walker



District 9
Darrell P. Ourso



District 10
Larri Burgess

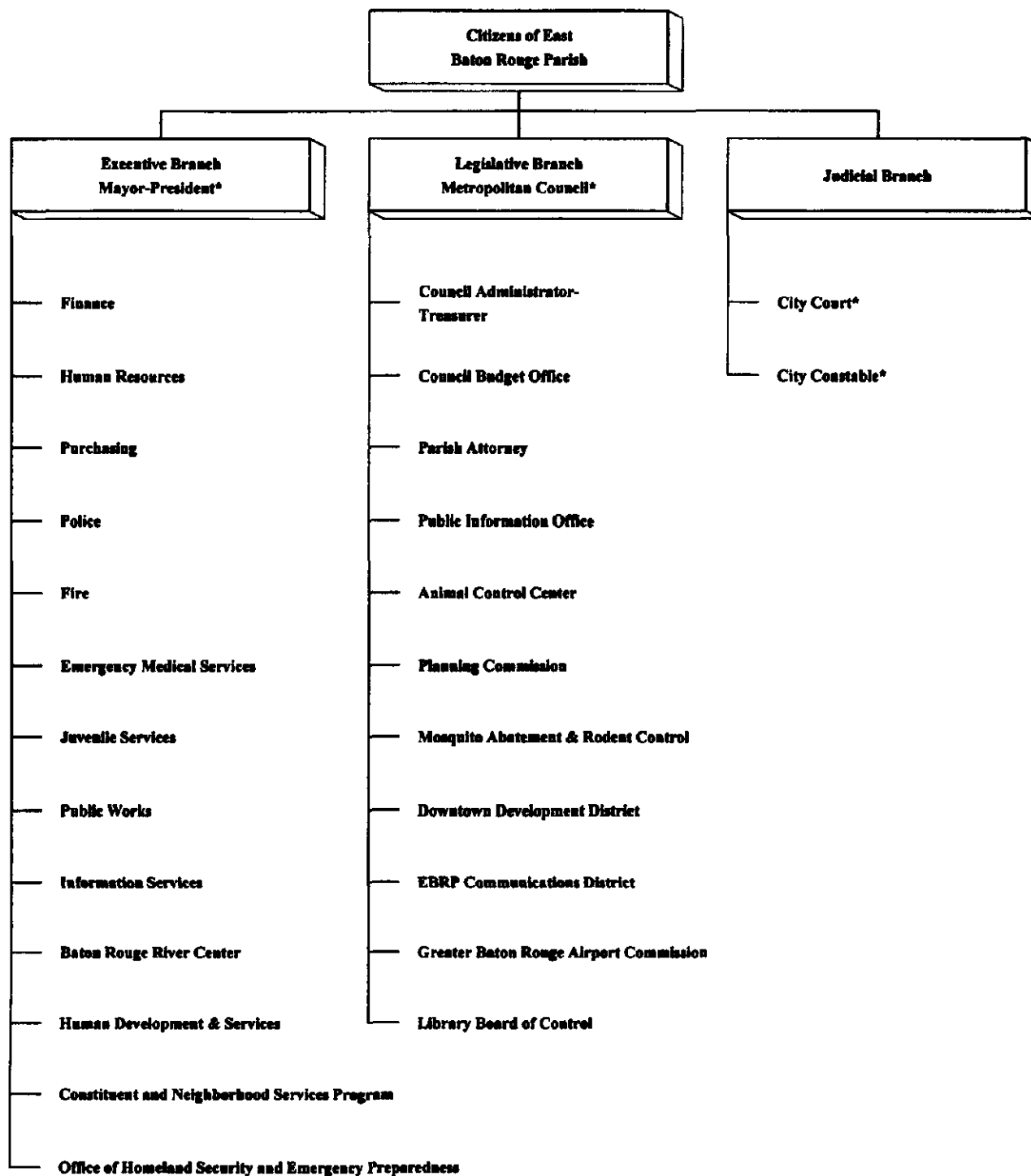


District 11
David J. Boneno



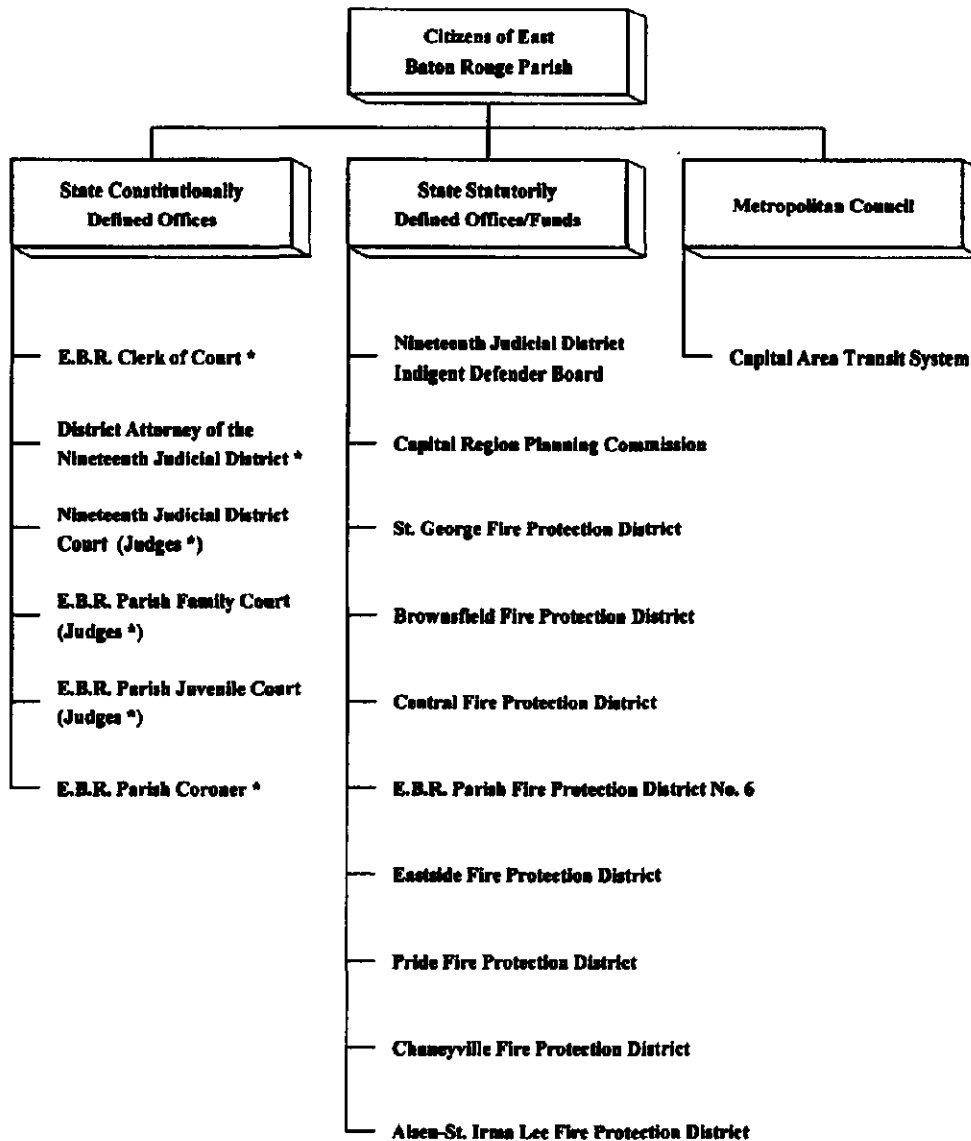
District 12
Mickey Skyring

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
PRIMARY GOVERNMENT**



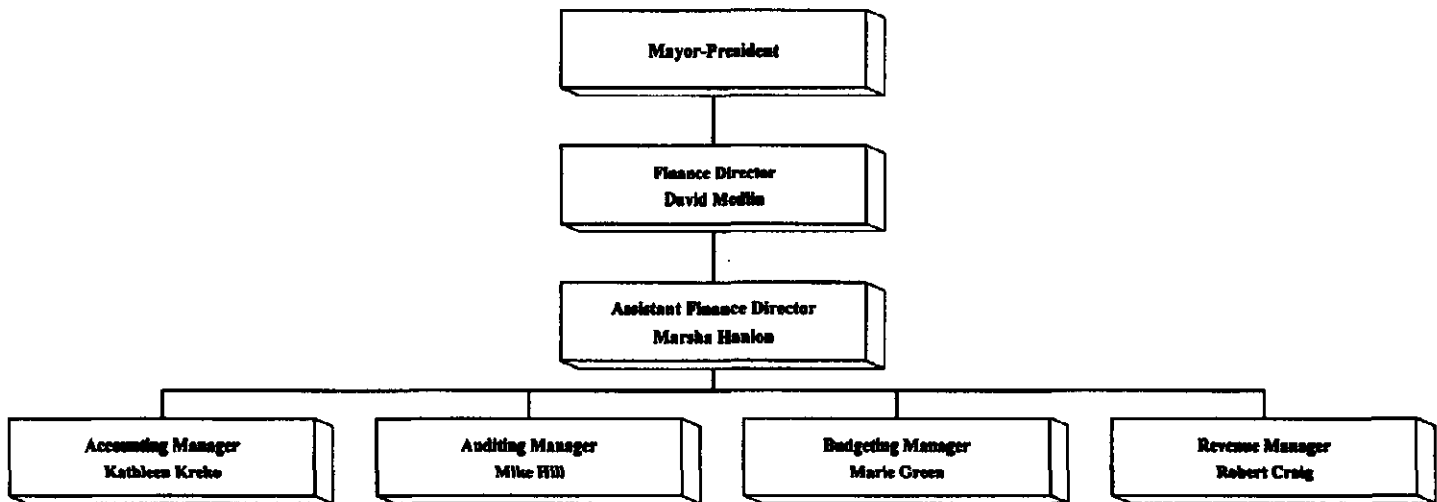
* Designates Elected Officials

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
COMPONENT UNITS**



* Designates Elected Officials

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ORGANIZATIONAL CHART
FINANCE DEPARTMENT**





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor-President and Members
of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, the budgetary comparison information, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2005, which collectively comprise the City-Parish's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City-Parish's nonmajor governmental, nonmajor enterprise, and internal service funds contained within the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the City-Parish's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements which represent 91% and 87 %, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, the budgetary comparison information, and the aggregate remaining fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the City-Parish as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also during 2005, the City-Parish continued its implementation of *Governmental Accounting Standards Board No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* by retroactively capitalizing certain infrastructure of its governmental activities and business-type activities. The effects of the retroactive capitalization are accounted for as a change in accounting principle, also resulting in a restatement of net assets as of January 1, 2005. See capital assets note 6 for a description of these changes and Note 1(f) for a description of the effects to net assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2006, on our consideration of internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis beginning on page 3 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information as listed in the Table of Contents as Supplementary Schedules, Exhibits H-1 through H-3, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. Schedules H-1 and H-2 have been subjected to the auditing procedures applied in the audit of the basic financial statements and the combining and individual fund financial statements, and, in our opinion, are fairly stated in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole. We have applied certain limited procedures to Exhibit H-3, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying financial information in the Statistical Section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City-Parish. The information has not been audited by us, and accordingly, we express no opinion on this information.

Postlethwaite & Nettleville

Baton Rouge, Louisiana
May 26, 2006

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City-Parish government, we offer readers of this financial statement an overview and analysis of the financial activities of the City of Baton Rouge, Parish of East Baton Rouge Consolidated Government. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the government's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the Letter of Transmittal and the financial statements that begin with Exhibit A-1.

FINANCIAL HIGHLIGHTS

- Assets of the City-Parish primary government exceeded its liabilities at the close of the most recent fiscal year by \$1,224.3 million (*net assets*). Of this amount, \$270.4 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by \$112.5 million during 2005. Governmental activities' net assets increased \$52.2 million during 2005, primarily as a result of the increase in capital assets from outside contributions (\$15.2 million), additional tax revenues in the governmental activities (\$28.0 million), the reduction of prior-year long-term debt (\$4.1 million), an increase in investment earnings (\$4.2 million), an increase in charges for services due to the inception of an intergovernmental agreement with the Central Transition District (\$1.9 million), an increase in Emergency Medical Services transport charges due to an increase in fees (\$1.0 million), and other miscellaneous decreases in net assets (\$2.2 million). Sales tax revenues collected in excess of debt service and operating expenses in the sewerage fund (\$22.7 million), contributions from the federal and state governments, subdivision developers, and impact fees (\$25.1 million), contributions from the government's governmental activities for major capital purchases (\$1.5 million), increased airport passenger facility charges and customer facility charges (\$1.6 million), increased sewer user fees (\$3.1 million), increased investment earnings (\$4.1 million), and other miscellaneous increases (\$2.2 million) accounted for the rise in net assets in business-type activities.
- As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$294.7 million, an increase of \$23.4 million in comparison with the prior year. Approximately 42% of the fund balances, \$123.8 million, is *available for spending* at the City-Parish's discretion (*unreserved fund balance*).
- At December 31, 2005, unreserved fund balance for the General Fund was \$74.5 million, or 35% of total 2005 General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City-Parish financial statements focus on the government as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the City-Parish's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A-1 and A-2) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City-Parish

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Metropolitan Council may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities in the fund financial statements. All City-Parish component unit agencies except for four fire protection districts (see Exhibits G-1 through G-8) issue separate independently audited financial statements.

The Statement of Net Assets (Exhibit A-1) presents information on all the government's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the City-Parish is improving or deteriorating.

The Statement of Activities (Exhibit A-2) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities which are funded by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidy to various governmental and business-type activities and component units.

The governmental activities reflect the City-Parish's basic services including public safety (fire, law enforcement, emergency medical services, emergency preparedness, communications), general government services (executive, legislative, judicial), health and welfare (mosquito control, animal control), sanitation (garbage and trash collection), transportation (street and road maintenance), culture and recreation (library), conservation and development (social programs), and intergovernmental. These services are financed primarily with taxes. The business-type activities reflect private sector type operations (sewer utilities, airport, parking facility, civic center, solid waste disposal facility) where the fee for service typically covers all or most of the cost of operations, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund (see Exhibits A-3 through A-9) presentation is presented on a modified accrual basis. This is the manner in which the budget is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The City-Parish has presented the General Fund, Library Board of Control Special Revenue Fund, Grants Special Revenue Fund, and the Capital Projects Fund as major funds. All nonmajor governmental funds are presented in one column, titled other governmental funds. Combining financial statements of the nonmajor funds can be found in the combining and individual fund statements and schedules that follow the basic financial statements.

Proprietary Funds encompass both enterprise and internal service funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary major fund (see Exhibits A-10 through A-12) presentation is presented on an accrual basis. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City-Parish's various functions. The government uses internal service funds to account for its equipment rental and replacement program and the Central Garage fleet maintenance and fuel activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide financial statements. Combining statements of the nonmajor individual enterprise and

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

internal service funds can be found in the combining and individual fund statements following the basic financial statements.

Fund financial statements also allow the City-Parish to present *fiduciary funds*. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements for enterprise funds (see Exhibit A-10) is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation to the government-wide financial statement because of the different measurement focus which is reflected on the page following each statement (see Exhibits A-4 and A-6). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Capital Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 6, Exhibit A-17). The City-Parish has capitalized all purchased general capital assets. Donated infrastructure assets (those placed into the government's maintenance through contributions from private development) accepted into City-Parish maintenance between year 1980 through 2005 have been capitalized.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-17 of this report.

Other Information

The combining statements referred to earlier in connection with the nonmajor governmental and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules include Exhibits B-1 through G-8 of the report.

Certain supplementary financial information can be found in Exhibits H-1 through H-3 of this report. These schedules and the statistical section (Exhibits I-1 through I-22) are included for additional information and analysis and do not constitute a part of the audited financial statements.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings, and schedules. This information can be found under the Single Audit section.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

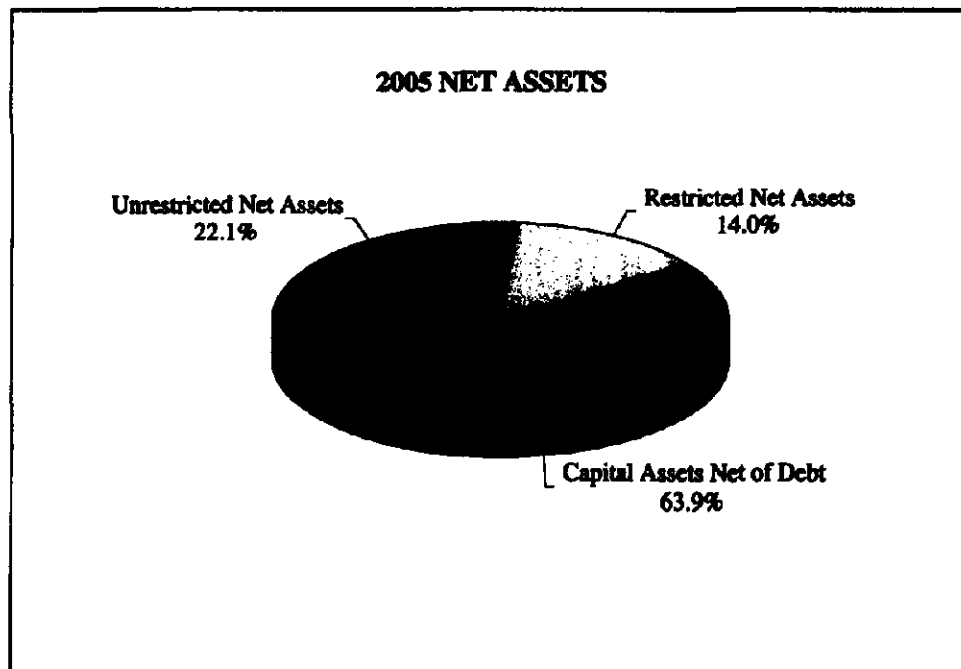
Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets for 2005, with comparative figures from 2004:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Assets
December 31, 2005 & 2004
(in millions)

	<u>Governmental Activities</u>		<u>Business- Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets:						
Current and Other Assets	\$363.5	\$327.3	\$261.4	\$217.9	\$ 624.9	\$ 545.2
Restricted Assets	—	—	49.0	58.9	49.0	58.9
Capital Assets	<u>450.8</u>	<u>431.6</u>	<u>657.0</u>	<u>642.5</u>	<u>1,107.8</u>	<u>1,074.1</u>
Total Assets	<u>814.3</u>	<u>758.9</u>	<u>967.4</u>	<u>919.3</u>	<u>1,781.7</u>	<u>1,678.2</u>
Liabilities:						
Current Liabilities	52.8	45.5	16.7	30.1	69.5	75.6
Non-current Liabilities	<u>184.4</u>	<u>188.5</u>	<u>303.5</u>	<u>302.3</u>	<u>487.9</u>	<u>490.8</u>
Total Liabilities	<u>237.2</u>	<u>234.0</u>	<u>320.2</u>	<u>332.4</u>	<u>557.4</u>	<u>566.4</u>
Net Assets:						
Invested in Capital Assets Net of Debt	388.6	365.6	394.1	386.2	782.7	751.8
Restricted	137.8	145.5	33.4	31.8	171.2	177.3
Unrestricted	<u>50.7</u>	<u>13.8</u>	<u>219.7</u>	<u>168.9</u>	<u>270.4</u>	<u>182.7</u>
Total Net Assets	<u>\$577.1</u>	<u>\$524.9</u>	<u>\$647.2</u>	<u>\$586.9</u>	<u>\$1,224.3</u>	<u>\$1,111.8</u>

For more detailed information see Exhibit A-1, the Statement of Net Assets.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Approximately 63.9% (\$782.7 million) of the City-Parish's net assets as of December 31, 2005, reflect the government's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 14.0% (\$171.2 million) of the government's net assets is subject to external restrictions on how those assets may be used, such as a property tax approved by the electorate for specific purposes. The remaining 22.1% of net assets, referred to as *unrestricted* (\$270.4 million), may be used to meet the ongoing obligations of the government to citizens and creditors.

The table below provides a summary of the changes in net assets for the year ended December 31, 2005, with comparative figures from 2004:

City of Baton Rouge, Parish of East Baton Rouge
 Condensed Statement of Changes in Net Assets
 For the Years Ended December 31, 2005 & 2004
 (in millions)

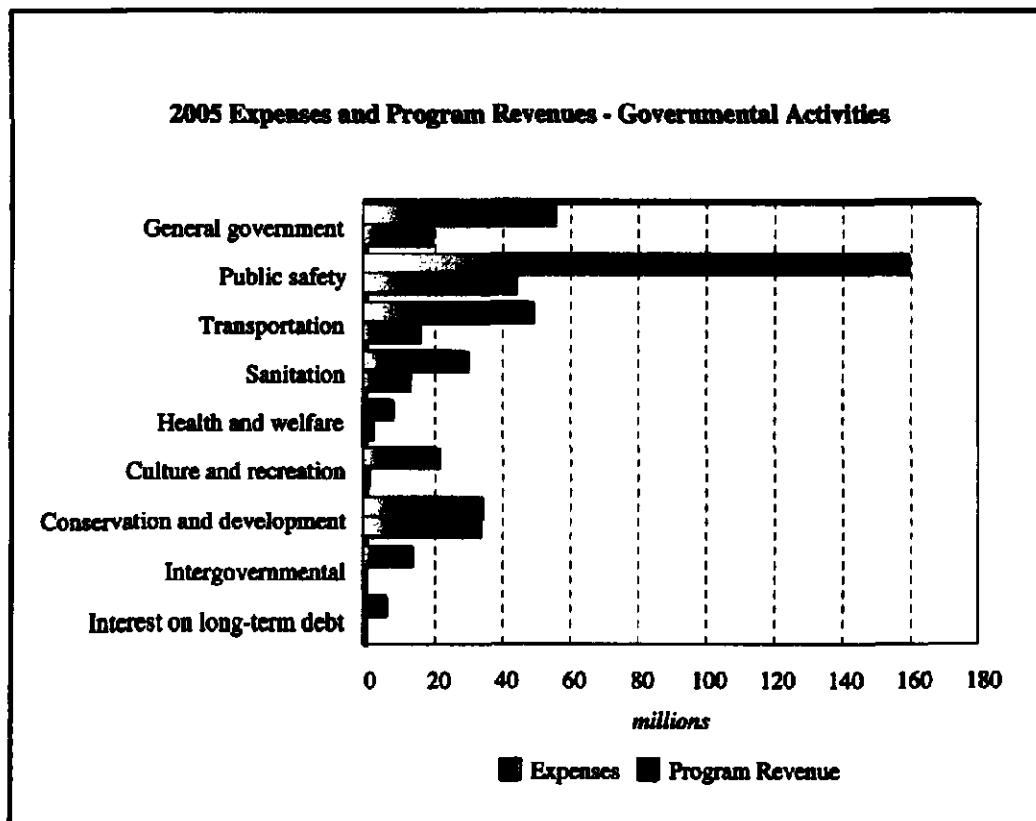
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 53.6	\$ 48.7	\$ 85.0	\$ 74.0	\$ 138.6	\$ 122.7
Operating Grants and Contributions	62.1	42.3	0.4	--	62.5	42.3
Capital Grants and Contributions	15.2	13.5	28.7	52.1	43.9	65.6
General Revenues:						
Sales Taxes	185.6	164.8	36.0	31.2	221.6	196.0
Other Taxes	113.5	105.3	--	--	113.5	105.3
Grants and Contributions Not Restricted to Specific Programs	4.4	4.2	--	--	4.4	4.2
Other	<u>9.1</u>	<u>5.1</u>	<u>7.8</u>	<u>3.7</u>	<u>16.9</u>	<u>8.8</u>
Total Revenues	<u>443.5</u>	<u>383.9</u>	<u>157.9</u>	<u>161.0</u>	<u>601.4</u>	<u>544.9</u>
Expenses:						
General Government	56.3	56.3	0.9	0.9	57.2	57.2
Public Safety	159.3	136.3	--	--	159.3	136.3
Transportation	49.7	51.0	16.4	13.6	66.1	64.6
Sanitation	30.2	25.4	83.7	86.1	113.9	111.5
Health and Welfare	8.2	7.0	--	--	8.2	7.0
Culture and Recreation	21.9	19.9	7.4	3.5	29.3	23.4
Conservation and Development	34.6	35.7	--	--	34.6	35.7
Intergovernmental	14.3	13.6	--	--	14.3	13.6
Interest on Long-Term Debt	<u>6.0</u>	<u>6.1</u>	<u>--</u>	<u>--</u>	<u>6.0</u>	<u>6.1</u>
Total Expenses	<u>380.5</u>	<u>351.3</u>	<u>108.4</u>	<u>104.1</u>	<u>488.9</u>	<u>455.4</u>
Increase in Net Assets Before Transfers	63.0	32.6	49.5	56.9	112.5	89.5
Transfers	<u>(10.8)</u>	<u>(15.8)</u>	<u>10.8</u>	<u>15.8</u>	<u>--</u>	<u>--</u>
Increase In Net Assets	52.2	16.8	60.3	72.7	112.5	89.5
Net Assets, January 1, restated	<u>524.9</u>	<u>508.1</u>	<u>586.9</u>	<u>514.2</u>	<u>1,111.8</u>	<u>1,022.3</u>
Net Assets, December 31	<u>\$577.1</u>	<u>\$524.9</u>	<u>\$647.2</u>	<u>\$586.9</u>	<u>\$1,224.3</u>	<u>\$1,111.8</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

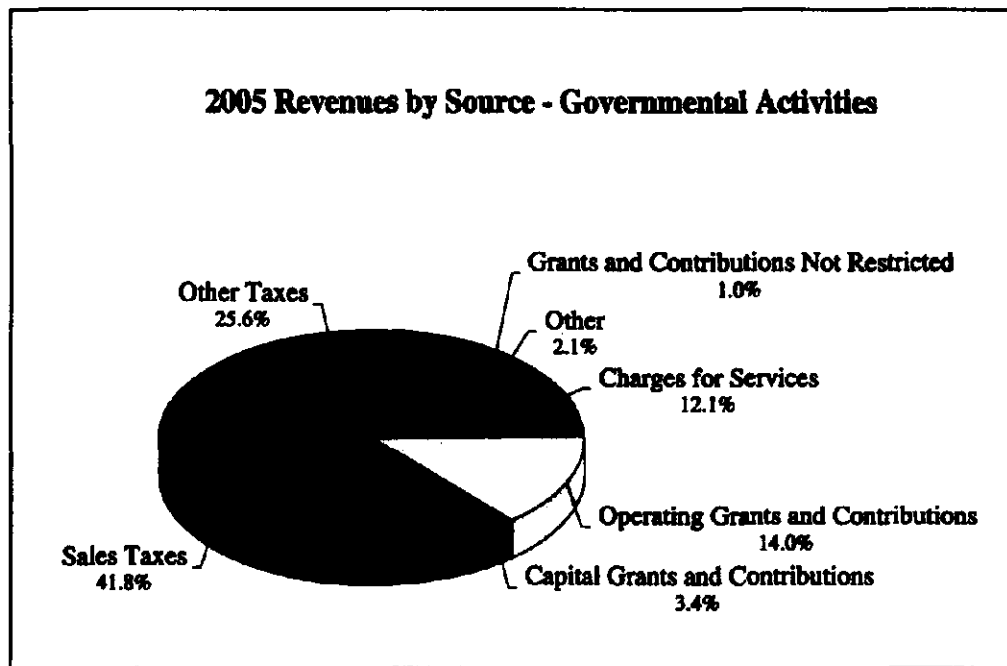
The government's net assets increased \$112.5 million during the current fiscal year.

Governmental Activities' net assets increased \$52.2 million in 2005, primarily due to:

- (1) An increase of approximately \$15.2 million of expenditures capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation purposes (\$4.4 million), donated infrastructure from developers (\$9.5 million), and miscellaneous capital grants for public safety and conservation and development from the federal and state governments (\$1.3 million).
- (2) An additional \$28.0 million in tax revenues due to growth in the economy, growth of property tax rolls, and population growth following Hurricanes Katrina and Rita including: sales tax revenues (\$20.8 million), property tax revenues (\$4.0 million), franchise tax revenues (\$2.1 million), and gaming admission tax revenues (\$1.1 million).
- (3) A net decrease of approximately \$4.1 million in long-term debt primarily due to the retirement of governmental activities bonded debt.
- (4) Growth in investment earnings in governmental activities of \$4.2 million
- (5) Collection of charges for services provided to the Central Transition District in the amount of \$1.9 million.
- (6) An increase in Emergency Medical Services transport charges due to an increase in both emergency transfer fees and mileage fees (\$1.0 million).
- (7) Other miscellaneous decreases in net assets (\$2.2 million).



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

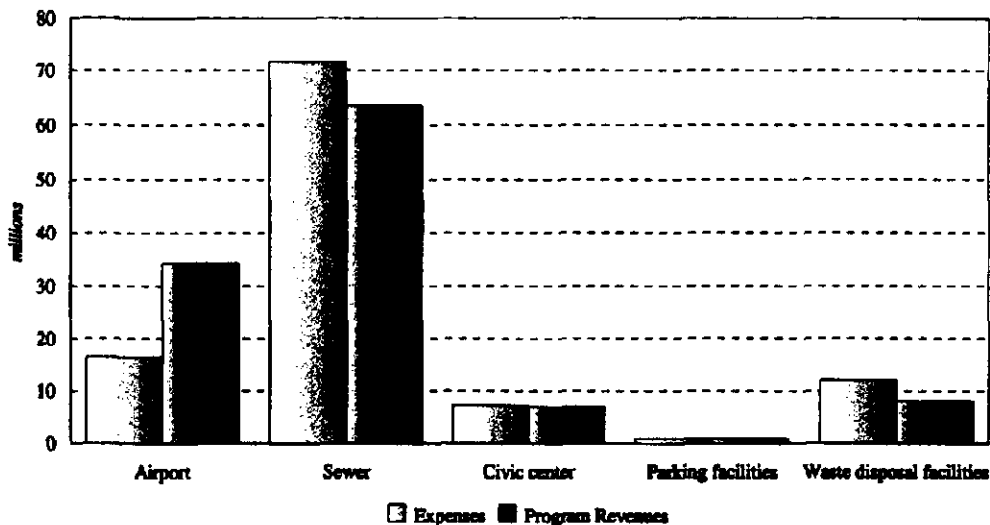


Business-Type Activities' net assets increased by \$60.3 million in 2005, primarily due to:

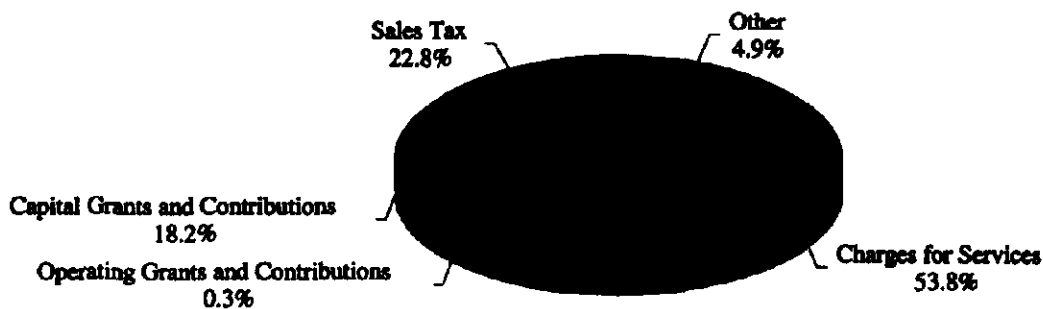
- (1) Sales tax (non-operating) revenues collected in excess of debt service and operating expenses that will be used for the sewerage capital improvements program in the amount of \$22.7 million.
- (2) Enterprise fund contributions from external parties of \$25.1 million from the following sources: airport grants from federal and state agencies (\$17.5 million), contributions of infrastructure from private developers to the sewerage system (\$2.4 million), and sewer impact fees (\$5.2 million).
- (3) Contributions from governmental fund types for improvements and expansion of the Baton Rouge River Center (\$1.5 million).
- (4) Additional passenger facility charges (\$0.6 million) and customer facility charges on rental cars (\$1.0 million) collected by the Greater Baton Rouge Airport District due to increased enplanements in the aftermath of Hurricanes Katrina and Rita.
- (5) Sewer user fees increased (\$3.1 million) in 2005, primarily as a result of the annual increase of 4% recommended by the comprehensive financing model developed to manage the finances of the Sanitary Sewer Improvement Program.
- (6) Investment earnings increased \$4.1 million as a result of both the rise in interest rates and from larger cash balances from sales tax and user fee increases.
- (7) Other miscellaneous increases in net assets (\$2.2 million).

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

2005 Expenses and Program Revenues - Business-Type Activities



2005 Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City-Parish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Funds: The focus of the City-Parish's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City-Parish's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$294.7 million, an increase of \$23.4 million in comparison with the prior year. The increase in total fund balances is primarily attributable to the significant increases in tax revenues collected in 2005. Approximately 42% of total governmental funds fund balance (\$123.8 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: (1) liquidation of contracts and purchase orders of the prior period (\$15.8 million), (2) payment of debt service (\$22.7 million), (3) loans to low-income recipients (\$3.8 million), (4) legal appropriations in the 2006 operating budget (\$7.8 million), (5) continuing projects carried forward to the next fiscal year (\$120.1 million), or (6) investment of inventories at December 31, 2005 (\$0.7 million).

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$21.4 million, while total fund balance was \$89.9 million. Compared with total fund balance of \$67.5 million at the end of 2004, fund balance increased approximately \$22.4 million during 2005. The increase in fund balance was primarily the result of increases in revenues for sales taxes, franchise taxes, and gaming admissions taxes.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$6.6 million in 2005. The primary source of revenue for this fund is an 11.1 mill property tax, which provides funding for all operating expenses of the library system as well as a pay-as-you-go capital improvement program. During 2005, the Library Fund transferred \$15.3 million to the Capital Projects Fund for library capital improvements.

During 2005, the City-Parish primary government incurred \$19.9 million of expenditures related to Hurricanes Katrina and Rita, including costs for staff overtime, usage of City-Parish vehicles and equipment, and housing of evacuees. The government recognized revenues in the Grants Fund in the amount of \$15.9 million relating to these costs. At December 31, 2005, a receivable (Due From Other Governments) and a deferred revenue remains in the Grants Fund in the amount of \$4.0 million.

Fund balance in the Capital Projects Fund increased (\$15.6 million) in 2005 as compared to the ending fund balance in 2004 due to the appropriation of additional funds for library facilities, primarily for the replacement of the main library. Approximately \$114.8 million of Capital Projects Fund fund balance remains at December 31, 2005, for planned projects.

Proprietary Funds: The City-Parish's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Greater Baton Rouge Airport District were \$4.8 million at December 31, 2005. Most of this major fund's assets are capital assets with an investment in capital assets net of related debt of over \$171.5 million. The fund reported a net income of \$0.2 million before capital contributions and transfers for the year ended December 31, 2005. The District is negotiating a new airport/airline lease agreement, which will be finalized in 2006.

Unrestricted net assets of the Comprehensive Sewerage System Fund were \$205.7 million at December 31, 2005. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. Restricted assets total approximately \$177.6 million, reflecting a heavy investment in capital assets. The fund realized a net income of \$27.6 million before government contributions and transfers for the year ended December 31, 2005.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

General Fund Budgetary Highlights

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$9.7 million. Supplemental appropriations totaling \$9.7 million were approved during the year by the Metropolitan Council for various programs summarized as follows: (1) drainage, road and building projects (\$3.9 million), (2) return of debt service reserve requirement on outstanding City Sales Tax Revenue Bonds (\$1.2 million), (3) assistance with operational expenses for Capital Area Transit System (\$1.0 million), (4) settlement of general, auto, and workers' compensation claims and judgments (\$0.8 million), (5) miscellaneous improvement projects and supplementary departmental operating expenditures (\$2.8 million).

Material differences between actual results and final amended budgeted amounts in the General Fund are as follows:

- Sales and use taxes were collected in excess of budget by approximately \$16.3 million. The original General Fund budget used a one percent growth rate and actual sales tax revenues for the General Fund grew by 11.9 percent during 2005.
- Gaming admissions taxes were collected in excess of budget by approximately \$1.8 million. Historically, the administration's policy on these taxes has been to appropriate gaming revenues primarily for non-recurring expenditures.
- Gross receipts business taxes were collected in excess of budget by approximately \$2.1 million. These taxes are based on the consumption of utilities and are very cyclical in nature. Conservative estimates are used for this revenue in the General Fund budget.
- Charges for services provided to the Central Transition District were collected in the amount of \$1.9 million. During 2005, the citizens of Central voted to become a municipal government. The City-Parish has contracted with the Central Transition District through an intergovernmental agreement to provide services at substantially the same level as provided prior to their incorporation. This arrangement will continue until the new city is able to organize its management and acquire these services through other providers.
- The risk management budget was underspent by approximately \$1.0 million when actual claims for general, auto, and compromised claims were lower than projected in the operating budget. Excess appropriations were credited to the insurance designation to offset increases in future years (see Note 9(f) in the Notes to Financial Statements).
- Approximately \$10.3 million of appropriations for departmental budgets were not spent during 2005. The Plan of Government allows for the carry-forward of funds that are allocated to one-time projects to subsequent years. These appropriations carried forward, in the amount of \$8.6 million, are listed on the balance sheet as "reserved for continuing projects". The majority of these funds are appropriated to upgrade information services network systems and computers, purchase police vehicles and safety equipment, provide for replacement of departmental office equipment, and provide funds for public works projects such as drainage, street improvements and repairs to City-Parish buildings.

Capital Asset and Debt Administration

Capital Assets: The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$1,107.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements,

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

machinery and equipment, airport facilities, parking facilities, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's investment in capital assets for the current fiscal year was \$33.7 million, a 4.4% increase for governmental activities and an 2.2% increase for business-type activities.

Major capital asset events during the current fiscal year included the following:

- Continued construction on North Boulevard (\$8.8 million).
- Continued construction on Eden Park Library (\$1.8 million).
- Purchased right-of-way land and began construction on several infrastructure road projects:
 - Central Thruway (\$2.5 million)
 - Comite Drive (1.7 million)
- Completion and capitalization of several infrastructure projects:
 - Blount Road Improvement (\$11.0 million)
 - Lobdell (Jefferson to Goodwood) (\$2.4 million)
 - George O'Neal Road (\$5.7 million)
 - Mississippi River Levee Bike Path (\$1.9 million)
- Completion and capitalization of two new buildings:
 - Pride Branch Library (\$2.6 million)
 - Evangeline Street Fire Station (\$1.0 million)
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$27.8 million).
- Renovations and improvements to the Airport terminal building and other Airport improvements (\$18.0 million).
- Capitalization of improvements made to the Baton Rouge River Center (\$3.9 million).

City of Baton Rouge, Parish of East Baton Rouge
Capital Assets
(Net of Depreciation)
December 31, 2005 & 2004
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 81.7	\$ 80.4	\$ 71.5	\$ 71.4	\$ 153.2	\$ 151.8
Buildings	90.2	90.9	103.0	101.7	193.2	192.6
Noise Mitigation Costs	-	-	20.8	13.6	20.8	13.6
Improvements (Other Than Buildings) and Infrastructure	213.0	192.5	440.0	429.5	653.0	622.0
Machinery and Equipment	14.6	17.5	2.1	2.6	16.7	20.1
Construction Work-In-Progress	<u>51.3</u>	<u>50.3</u>	<u>19.6</u>	<u>23.7</u>	<u>70.9</u>	<u>74.0</u>
Total	<u>\$450.8</u>	<u>\$431.6</u>	<u>\$657.0</u>	<u>\$642.5</u>	<u>\$1,107.8</u>	<u>\$1,074.1</u>

Additional information on the City-Parish's capital assets can be found in Note 6, Exhibit A-17 of this report.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$422.0 million. Of this amount, \$88.0 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as the general sales tax of the General Fund. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

City of Baton Rouge, Parish of East Baton Rouge
 Summary of Excess Revenue and Revenue Bonds
 December 31, 2005 & 2004
 (in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Excess Revenue Contracts, Loans and Notes	\$ 69.8	\$ 71.6	\$ 18.2	\$ 11.7	\$ 88.0	\$ 83.3
Sales Tax Revenue Bonds	<u>62.2</u>	<u>67.1</u>	<u>271.8</u>	<u>278.6</u>	<u>334.0</u>	<u>345.7</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$132.0</u>	<u>\$138.7</u>	<u>\$290.0</u>	<u>\$290.3</u>	<u>\$422.0</u>	<u>\$429.0</u>

On April 19, 2005, the City issued \$2,100,000 of Public Improvement Sales Tax Revenue Bonds, Series 2005B (Taxable) for the purpose of providing funds to make a loan to the Greater Baton Rouge Airport District in order to enable the district to reimburse itself for certain prior expenditures made by the district with respect to the terminal facility located at the Baton Rouge Airport.

On May 5, 2005, the Parish issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund the callable portion of the \$43.0 million Series ST - 1999 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.69%; principal refunded - \$32,110,000). Gross cash savings of principal and interest on the refunding were realized by the Comprehensive Sewerage System Fund in the amount of \$1,626,090, and the net economic gain was \$1,157,956, as detailed in Note 10(a)14 of the Notes to Financial Statements.

On November 3, 2005, the Parish issued \$25,855,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to current refund a portion of the \$65.0 million Series ST - 1996 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.66%). The entire principal amount refunded of \$26,100,000 was called on February 1, 2006. Gross cash savings of principal and interest on the refunding were realized by the Comprehensive Sewerage System Fund in the amount of \$1,369,055, and the net economic gain was \$1,153,019, as detailed in Note 10(a)14 of the Notes to Financial Statements.

In 2005, the Parish borrowed additional funds from the 1999 Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) program to aide in the construction of a new downtown parking facility. The total loan authorization of \$2,500,000 has been loaned to the Parish as of December 31, 2005. The loan is expected to be repaid over a fourteen year term.

The City borrowed additional funds in 2005 from the 2000A LCDA program for the Greater Baton Rouge Airport District to provide funds for airport improvements. Although total loan authorization for this loan is \$11,000,000, only \$7,419,147 has been loaned to the City as of December 31, 2005. Funds are drawn on this loan as costs are incurred on airport projects. The loan is expected to be repaid over a twenty-five year term.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

As of December 31, 2005, City-Parish bonds were rated by three of the major rating services as follows:

	<u>Underlying Ratings</u>			<u>Insured Ratings</u>		
	<u>Moody's</u> <u>Investors</u> <u>Service</u>	<u>Standard</u> <u>and Poor's</u>	<u>Fitch</u> <u>Investors</u>	<u>Moody's</u> <u>Investors</u> <u>Service</u>	<u>Standard</u> <u>and Poor's</u>	<u>Fitch</u> <u>Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	AA-	Aaa	AAA	AAA
Parish of East Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	AA-	Aaa	AAA	AAA
Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds	A3	A	A	Aaa	AAA	AAA

In April 2006, Fitch Investors upgraded the underlying bond rating for the Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds from "A" to "A+".

Additional information on debt administration can be found in Note 10 of the Notes to the Financial Statements including information concerning the computation of legal debt margins for different types of bonds.

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives approximately 50 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. East Baton Rouge Parish experienced sales tax growth of almost 6 percent for the first seven months of 2005, and a growth rate of about 4.5 percent if the impact of the American Bowling Congress Tournament is discounted. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists from Louisiana State University, advise that, while revenue projections may be subject to a wide margin of error, baseline growth for sales tax collections of between 2.5 and 3.5 percent can be expected. Based upon the advice of these experts, the 2006 operating budget assumes a 3.5 percent growth rate for sales and use tax revenues.

Following Hurricane Katrina, Baton Rouge experienced growth in both employment and sales tax collections as a result of unprecedented population growth. Although this additional population should lead to continued growth in sales tax collections in 2006, when compared to 2005, it is not clear that these persons will remain in Baton Rouge permanently. Until the level of sustained sales tax growth is determined, excess collections will be used on one-time expenditures such as capital improvement projects.

Requests For Information

This financial report is designed to provide a general overview of the finances of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance, Accounting Division, P.O. Box 1471, Baton Rouge, Louisiana, 70821-1471.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

EXHIBIT A - 1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 3)	\$ 93,648,136	\$ 86,673,653	\$ 180,321,789	\$ 10,691,853
Investments (Note 3)	146,765,816	154,774,038	301,539,854	1,347,480
Receivables - net (Note 13)	45,391,530	12,712,821	58,104,351	2,332,137
Investment in joint venture (Note 19)	--	2,473,958	2,473,958	--
Due from other governments (Note 11)	70,743,930	2,729,753	73,473,683	5,625,579
Due from component units (Note 11)	270,986	--	270,986	--
Due from primary government (Note 11)	--	--	--	10,851
Prepaid items	--	15,209	15,209	24,432
Loans receivable	3,850,446	--	3,850,446	--
Inventory	958,464	53,686	1,012,150	235,222
Net pension asset	--	--	--	1,317,341
Other assets	--	--	--	61,344
Restricted assets:				
Cash and cash equivalents (Note 3)	--	6,436,579	6,436,579	114,563
Investments (Note 3)	--	41,515,295	41,515,295	--
Receivables - net (Note 13)	--	1,060,647	1,060,647	--
Deferred bond issuance costs	1,888,805	2,014,340	3,903,145	--
Capital assets (Note 6):				
Non-depreciable	133,076,399	91,038,938	224,115,337	813,514
Depreciable, net	317,745,213	565,965,996	883,711,209	27,974,494
Total assets	<u>814,339,725</u>	<u>967,464,913</u>	<u>1,781,804,638</u>	<u>50,548,810</u>
LIABILITIES				
Accounts payable and other current liabilities	27,729,626	10,652,833	38,382,459	2,713,805
Due to other governments	263,714	--	263,714	639,437
Due to primary government (Note 11)	--	--	--	270,986
Due to component units (Note 11)	10,851	--	10,851	--
Accrued payables	7,621,926	4,782,462	12,404,388	851,969
Unearned revenue	2,952,108	1,236,586	4,188,694	--
Deposits and escrow accounts	14,215,768	--	14,215,768	--
Other liabilities	--	--	--	125,962
Non-current liabilities (Note 10):				
Due within one year	22,630,512	17,149,218	39,779,730	3,429,133
Due in more than one year	161,800,003	286,415,755	448,215,758	13,589,337
Total liabilities	<u>237,224,508</u>	<u>320,236,854</u>	<u>557,461,362</u>	<u>21,620,629</u>
NET ASSETS				
Invested in capital assets, net of related debt	388,588,515	394,066,178	782,654,693	17,354,319
Restricted for (Note 14):				
Capital projects	63,787,513	558,705	64,346,218	220,232
Debt service	20,633,220	31,224,690	51,857,910	--
Passenger facility charges	--	1,634,365	1,634,365	--
External legal constraints	53,422,381	--	53,422,381	519,379
Unrestricted	50,683,588	219,744,121	270,427,709	10,834,251
Total net assets	<u>\$ 577,115,217</u>	<u>\$ 647,228,059</u>	<u>\$ 1,224,343,276</u>	<u>\$ 28,928,181</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 56,327,380	\$ 19,134,712	\$ 311,634	\$ --
Public safety	159,309,577	15,813,814	27,730,032	758,707
Transportation	49,688,918	470,151	1,860,031	13,901,079
Sanitation	30,170,875	13,287,831	--	--
Health and welfare	8,189,621	585,920	1,968,208	--
Culture and recreation	21,925,909	463,748	674,557	--
Conservation and development	34,604,554	3,880,834	29,514,776	525,363
Intergovernmental	14,253,159	--	--	--
Interest and fiscal charges on long-term debt	6,045,822	--	--	--
Total governmental activities	<u>380,515,815</u>	<u>53,637,010</u>	<u>62,059,238</u>	<u>15,185,149</u>
Business-type activities:				
Airport	16,418,244	16,689,922	19,900	17,492,370
Sewer	71,696,049	55,864,691	177,440	7,650,428
Civic center	7,421,736	3,321,333	217,789	3,578,979
Parking facilities	909,249	843,234	--	--
Waste disposal facilities	11,982,780	8,237,968	--	--
Total business-type activities	<u>108,428,058</u>	<u>84,957,148</u>	<u>415,129</u>	<u>28,721,777</u>
Total primary government	<u>\$ 488,943,873</u>	<u>\$ 138,594,158</u>	<u>\$ 62,474,367</u>	<u>\$ 43,906,926</u>
Component units:				
Judicial court services	\$ 35,508,717	\$ 19,172,662	\$ 15,554,692	\$ 59,878
Coroner	972,430	163,793	788,356	--
Fire protection districts	13,999,023	2,060,159	825,179	--
Mass transit	16,209,632	4,413,646	1,214,841	1,992,635
Total component units	<u>\$ 66,689,802</u>	<u>\$ 25,810,260</u>	<u>\$ 18,383,068</u>	<u>\$ 2,052,513</u>

General revenues:

Taxes:

 Property

 Gross receipts business

 Sales

 Occupancy

 Occupational

 Insurance premium

 Gaming admissions

 Interest and penalties - delinquent taxes

 Grants and contributions not restricted to specific programs

 Investment earnings

 Gain (loss) on sale of capital assets

 Transfers (to) from other funds

 Total general revenues and transfers

 Change in net assets

Net Assets - beginning of year, restated

Net Assets - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (36,881,034)	\$ —	\$ (36,881,034)	\$ —
(115,007,024)	—	(115,007,024)	—
(33,457,657)	—	(33,457,657)	—
(16,883,044)	—	(16,883,044)	—
(5,635,493)	—	(5,635,493)	—
(20,787,604)	—	(20,787,604)	—
(683,581)	—	(683,581)	—
(14,253,159)	—	(14,253,159)	—
(6,045,822)	—	(6,045,822)	—
(249,634,418)	—	(249,634,418)	—
—	17,783,948	17,783,948	—
—	(8,003,490)	(8,003,490)	—
—	(303,635)	(303,635)	—
—	(66,015)	(66,015)	—
—	(3,744,812)	(3,744,812)	—
—	5,665,996	5,665,996	—
(249,634,418)	5,665,996	(243,968,422)	—
—	—	—	(721,485)
—	—	—	(20,281)
—	—	—	(11,113,685)
—	—	—	(8,588,510)
—	—	—	(20,443,961)
66,921,445	—	66,921,445	11,236,793
24,254,404	—	24,254,404	—
185,635,959	35,972,213	221,608,172	—
1,026,049	—	1,026,049	937,597
8,686,878	—	8,686,878	—
3,357,666	—	3,357,666	—
7,653,892	—	7,653,892	—
1,612,945	—	1,612,945	—
4,404,386	—	4,404,386	10,718,478
8,252,253	7,767,212	16,019,465	885,803
895,027	102,345	997,372	776
(10,801,426)	10,801,426	—	—
301,899,478	54,643,196	356,542,674	23,779,447
52,265,060	60,309,192	112,574,252	3,335,486
524,850,157	586,918,867	1,111,769,024	25,592,695
\$ 577,115,217	\$ 647,228,059	\$ 1,224,343,276	\$ 28,928,181

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	General Fund	Library Board of Control	Grants
ASSETS			
Cash and cash equivalents (Note 3)	\$ 22,572,231	\$ 12,060,348	\$ --
Investments (Note 3)	42,060,647	22,397,788	--
Property taxes receivable - net (Note 4)	3,296,978	3,708,826	--
Gross receipts business taxes receivable	7,076,152	--	--
Sales taxes receivable	17,577,569	--	--
Interest and penalties receivable on taxes	63,523	--	--
Accounts receivable - net (Note 13)	1,713,297	--	68,915
Accrued interest receivable	358,700	207,212	27,153
Special assessments receivable	40,319	--	--
Due from other funds (Note 11)	11,666,777	--	--
Due from other governments (Note 11)	16,151,995	18,864,029	13,938,777
Due from component units	270,986	--	--
Loans receivable	450,000	--	3,400,446
Inventory	673,945	--	--
Total assets	\$ 123,973,119	\$ 57,238,203	\$ 17,435,291
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 16,330,251	\$ 1,084,914	\$ 1,737,862
Due to other funds (Note 11)	--	35,243,732	3,854,822
Due to other governments	94,715	--	674
Due to component units	10,851	--	--
Accrued payables	2,758,091	235,505	368,449
Deferred revenue	935,362	970,603	6,622,954
Deposits and escrow accounts	13,977,674	16,122	221,972
Total liabilities	34,106,944	37,550,876	12,806,733
Fund balances:			
Reserved for:			
Encumbrances	1,407,840	70,607	329,679
Loans receivable	450,000	--	3,400,446
Inventory	673,945	--	--
Debt service - principal	--	--	--
Debt service - interest	--	--	--
Subsequent year expenditures (Note 1)	4,270,670	--	--
Continuing projects (Note 1)	8,569,721	--	898,433
Unreserved, designated, reported in:			
General Fund:			
Insurance	28,881,951	--	--
Solid waste collection and disposal	661,895	--	--
Special purposes	7,492,297	--	--
Gaming revenues	4,342,018	--	--
Budget stabilization	11,739,500	--	--
Unreserved, Undesignated, reported in:			
General Fund	21,376,338	--	--
Special Revenue Funds	--	19,616,720	--
Total fund balances	89,866,175	19,687,327	4,628,558
Total liabilities and fund balances	\$ 123,973,119	\$ 57,238,203	\$ 17,435,291

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 30,538,674	\$ 19,105,575	\$ 84,276,828
51,006,708	31,300,673	146,765,816
--	4,118,974	11,124,778
--	--	7,076,152
2,361,893	1,743,903	21,683,365
--	--	63,523
--	1,953,519	3,735,731
425,627	456,425	1,475,117
11,703	--	52,022
35,243,732	--	46,910,509
423,981	19,392,943	68,771,725
--	--	270,986
--	--	3,850,446
--	--	673,945
<u>\$ 120,012,318</u>	<u>\$ 78,072,012</u>	<u>\$ 396,730,943</u>
\$ 4,873,253	\$ 2,785,030	\$ 26,811,310
--	7,811,955	46,910,509
--	168,325	263,714
--	--	10,851
--	496,842	3,858,887
339,576	1,116,394	9,984,889
--	--	14,215,768
<u>5,212,829</u>	<u>12,378,546</u>	<u>102,055,928</u>
10,361,772	3,611,443	15,781,341
--	--	3,850,446
--	--	673,945
--	16,488,219	16,488,219
--	6,188,638	6,188,638
--	3,554,260	7,824,930
104,437,717	6,150,944	120,056,815
--	--	28,881,951
--	--	661,895
--	--	7,492,297
--	--	4,342,018
--	--	11,739,500
--	--	21,376,338
--	29,699,962	49,316,682
<u>114,799,489</u>	<u>65,693,466</u>	<u>294,675,015</u>
<u>\$ 120,012,318</u>	<u>\$ 78,072,012</u>	<u>\$ 396,730,943</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

EXHIBIT A - 4

Fund balances - total governmental funds \$ 294,675,015

Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds

Governmental capital assets	830,839,835	
Less accumulated depreciation	<u>(385,111,916)</u>	445,727,919

Assets used in governmental activities that are not financial
resources and, therefore, are not reported in the
governmental funds

Deferred bond issuance costs		1,888,805
------------------------------	--	-----------

Some revenues were collected more than sixty days after
year-end and, therefore, are not available soon enough
to pay for current-period expenditures.

Property tax revenue	2,982,039	
Louisiana revenue sharing	1,047,052	
Emergency Medical Services transport charges	134,028	
La. Department of Transportation and Development	925,153	
La. Department of Military Affairs	<u>4,050,742</u>	9,139,014

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the
governmental funds.

Accrued interest payable	(3,733,818)	
Bonds payable	(131,960,542)	
Deferred amount on refunding	(846,625)	
Compensated absences payable	(15,468,517)	
Obligation under capital leases	(28,314)	
Claims and judgments payable	(31,745,318)	
Employee benefits payable	<u>(4,194,142)</u>	(187,977,276)

Internal service funds are used by management to charge the
costs of fleet management and maintenance to individual
funds. The assets and liabilities of the internal service funds
are included in governmental activities in the statement
of net assets.

13,661,740

Net assets of governmental activities

\$ 577,115,217



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund	Library Board of Control	Grants
REVENUES			
Taxes:			
Property	\$ 19,101,175	\$ 23,463,290	\$ --
Gross receipts business taxes	24,254,404	--	--
Sales	135,996,456	--	--
Occupancy	1,026,049	--	--
Occupational	8,686,878	--	--
Insurance premiums	3,357,666	--	--
Gaming admissions	7,653,892	--	--
Interest and penalties - delinquent	1,612,945	--	--
Licenses and permits	3,461,944	--	--
Intergovernmental revenues	9,634,194	--	52,070,997
Charges for services	23,093,747	69,037	--
Fines and forfeits	1,652,475	352,560	--
Investment earnings	2,139,990	1,391,304	55,831
Miscellaneous revenues	10,585,358	15,150	3,759,881
Total revenues	<u>252,257,173</u>	<u>25,291,341</u>	<u>55,886,709</u>
EXPENDITURES			
Current:			
General government	53,498,495	--	300,834
Public safety	104,259,423	--	22,294,010
Transportation	22,973,009	--	456,394
Sanitation	14,714,830	--	--
Health and welfare	1,536,096	--	1,953,313
Culture and recreation	1,144,348	18,642,337	200,941
Conservation and development	2,003,199	--	31,538,346
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Capital outlay	--	74,933	1,284,070
Intergovernmental	13,170,478	--	--
Total expenditures	<u>213,299,878</u>	<u>18,717,270</u>	<u>58,027,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,957,295</u>	<u>6,574,071</u>	<u>(2,141,199)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	2,152,156	--	216,885
Transfers out (Note 12)	(19,441,045)	(15,274,260)	--
Proceeds of capital asset disposition	670,400	1,280	1,548
Total other financing sources and uses	<u>(16,618,489)</u>	<u>(15,272,980)</u>	<u>218,433</u>
Net change in fund balances	22,338,806	(8,698,909)	(1,922,766)
Fund balances, January 1	<u>67,527,369</u>	<u>28,386,236</u>	<u>6,551,324</u>
Fund balances, December 31	<u>\$ 89,866,175</u>	<u>\$ 19,687,327</u>	<u>\$ 4,628,558</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 23,871,345	\$ 66,435,810
--	--	24,254,404
20,584,537	29,054,966	185,635,959
--	--	1,026,049
--	--	8,686,878
--	--	3,357,666
--	--	7,653,892
--	--	1,612,945
--	376,389	3,838,333
2,996,016	3,772,348	68,473,555
1,670,477	16,793,375	41,626,636
--	294,785	2,299,820
2,463,043	1,944,851	7,995,019
239,834	171,260	14,771,483
<u>27,953,907</u>	<u>76,279,319</u>	<u>437,668,449</u>
--	1,024,665	54,823,994
--	23,462,435	150,015,868
--	15,008,726	38,438,129
--	11,885,079	26,599,909
--	4,398,030	7,887,439
--	--	19,987,626
--	375,531	33,917,076
--	12,827,075	12,827,075
--	9,235,555	9,235,555
32,262,293	2,556,619	36,177,915
--	1,082,230	14,252,708
<u>32,262,293</u>	<u>81,855,945</u>	<u>404,163,294</u>
<u>(4,308,386)</u>	<u>(5,576,626)</u>	<u>33,505,155</u>
21,404,756	7,029,833	30,803,630
(1,510,848)	(5,378,903)	(41,605,056)
--	5,422	678,650
<u>19,893,908</u>	<u>1,656,352</u>	<u>(10,122,776)</u>
15,585,522	(3,920,274)	23,382,379
99,213,967	69,613,740	271,292,636
<u>\$ 114,799,489</u>	<u>\$ 65,693,466</u>	<u>\$ 294,675,015</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ 23,382,379

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	36,177,915	
Depreciation expense	<u>(25,404,286)</u>	10,773,629

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net assets.		9,372,918
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Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.

Property tax revenue	485,635	
Louisiana revenue sharing	(4,790)	
Enhanced 911 revenues	(38,661)	
Emergency Medical Services transport charges	134,028	
La. Department of Transportation and Development	(331,888)	
La. Department of Military Affairs	<u>4,050,742</u>	4,295,066

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond issuance costs	(110,099)	
Amortization of gain on refunding	35,276	
Principal payments	12,827,075	
Adjustment for debt recorded in business type activities	<u>(5,981,534)</u>	6,770,718

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest payable	251,496	
Compensated absences payable	(503,052)	
Claims and judgments payable	(2,009,846)	
Employee benefits payable	<u>(256,471)</u>	(2,517,873)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

188,223

Change in net assets of governmental activities		<u>\$ 52,265,060</u>
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**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 18,819,020	\$ 18,823,130	\$ 19,101,175	\$ 278,045
Gross receipts business taxes	21,314,040	22,147,040	24,254,404	2,107,364
General sales and use taxes	117,762,410	119,707,891	135,996,456	16,288,565
Occupancy taxes	750,000	750,000	1,026,049	276,049
Occupational taxes	8,200,000	8,241,000	8,686,878	445,878
Insurance premiums taxes	3,150,000	3,150,000	3,357,666	207,666
Gaming admissions taxes	2,000,000	5,850,000	7,653,892	1,803,892
Interest and penalties - delinquent taxes	1,320,800	1,320,800	1,612,945	292,145
Total taxes	173,316,270	179,989,861	201,689,465	21,699,604
Licenses and permits:				
Use of streets:				
Public conveyances	10,000	10,000	9,946	(54)
Bicycle registration fees	60,000	60,000	61,950	1,950
Occupational and professional:				
Air conditioning and heating	30,000	30,000	27,850	(2,150)
Electrical contractors	30,000	30,000	28,415	(1,585)
Plumbers	25,000	25,000	19,550	(5,450)
House moving	1,000	1,000	650	(350)
Garbage collectors	24,400	24,400	21,400	(3,000)
Arborists	300	300	--	(300)
Classified employees	100,000	100,000	121,725	21,725
Waiter / waitress	150	150	600	450
Retail clerks	71,500	71,500	68,905	(2,595)
Entertainers	5,000	5,000	5,375	375
Liquor and beer	462,000	462,000	465,708	3,708
Restaurant	18,470	18,470	19,170	700
Gaming	3,800	3,800	3,850	50
Chauffeurs	1,600	1,600	1,915	315
Second hand dealers	800	800	360	(440)
Construction permits:				
Air conditioning and heating	325,000	325,000	276,965	(48,035)
Electrical	400,000	400,000	435,893	35,893
Building	1,050,000	1,050,000	1,358,202	308,202
Plumbing and gas	330,000	330,000	395,503	65,503
House moving	2,000	2,000	3,800	1,800
Fence	1,000	1,000	650	(350)
Miscellaneous	--	--	2,038	2,038
Special events	6,000	6,000	17,630	11,630
Alarm user	90,000	90,000	111,662	21,662
Sign permits	1,900	1,900	1,400	(500)
Other permits	500	500	832	332
Total licenses and permits	3,050,420	3,050,420	3,461,944	411,524
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	583,160	583,160	586,820	3,660
Department of Military Affairs	65,600	80,506	90,657	10,151
Juvenile meal reimbursement	50,000	50,000	52,072	2,072
Transportation:				
Street maintenance	299,380	299,380	299,382	2

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State grants (continued):				
Culture and recreation:				
Hotel/motel sales tax	\$ 781,770	\$ 754,683	\$ 473,616	\$ (281,067)
Conservation and development:				
State shared revenues:				
Beer taxes	450,000	450,000	438,923	(11,077)
Insurance company taxes	565,730	565,730	600,502	34,772
Louisiana revenue sharing	991,060	991,060	981,521	(9,539)
Mineral royalties	100,000	100,000	164,048	64,048
Severance taxes	775,000	775,000	816,871	41,871
On-behalf payments for salaries and benefits	5,295,220	5,079,772	5,128,875	49,103
Payments in lieu of taxes:				
Federal government	--	--	907	907
Total intergovernmental revenues	9,956,920	9,729,291	9,634,194	(95,097)
Charges for services:				
General government:				
City court civil fees	1,240,000	1,240,000	1,330,611	90,611
Judiciary court costs	550,000	550,000	718,518	168,518
City court school fees	150,000	150,000	170,152	20,152
City court bench warrant fees	600,000	600,000	608,998	8,998
City court miscellaneous fees	240,000	240,000	273,791	33,791
City court credit card payment fees	20,000	20,000	42,867	22,867
City court expungement	22,000	22,000	24,930	2,930
City court home incarceration monitoring	8,000	8,000	5,243	(2,757)
City constable civil fees	530,000	530,000	560,006	30,006
Fiscal management fees	5,500,000	5,500,000	5,846,946	346,946
Fiscal management fees - inventory	32,000	32,000	25,342	(6,658)
Fiscal management fees - auction facility	80,610	42,950	42,950	--
Sales tax collection charges	1,650,000	1,650,000	2,035,781	385,781
Occupancy tax collection charges	6,000	6,000	6,000	--
NSF check fees	3,500	3,500	3,390	(110)
Advertising	9,200	9,200	11,028	1,828
Central Transition District	--	--	1,931,043	1,931,043
Board of adjustment fees	6,000	6,000	5,985	(15)
Sale of construction codes and plans	19,000	19,000	13,604	(5,396)
Pre-trial diversion fees	275,000	275,000	349,082	74,082
Notice of intent	63,540	63,540	73,320	9,780
Adjudicated property	23,000	23,000	32,993	9,993
Zoning fees	85,000	85,000	92,180	7,180
Planning assistance	63,000	63,000	89,703	26,703
Planning advertising fees	25,000	25,000	23,475	(1,525)
Miscellaneous	12,150	21,350	24,222	2,872
Public safety:				
Subdivision inspection, testing and plan review	26,000	26,000	38,000	12,000
Flood determination fees	23,000	23,000	26,813	3,813
Commercial and residential plan review	235,000	235,000	314,544	79,544
Sale of reports and photos	250,000	250,000	297,153	47,153
Sobriety test	20,000	20,000	22,481	2,481
False alarm fees	67,500	67,500	55,225	(12,275)
Reimbursements for overtime	115,000	115,000	256,992	141,992
Radio shop charges	3,000	3,000	5,192	2,192

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
Public safety (continued):				
Prison medical charges	\$ 49,000	\$ 49,000	\$ 56,994	\$ 7,994
Juvenile services fees	2,100	2,100	2,445	345
Miscellaneous	4,300	4,300	5,160	860
Transportation:				
Parking meters	210,000	210,000	230,317	20,317
Sanitation:				
Solid waste user fees	7,150,500	7,150,500	7,273,359	122,859
Weed cutting charges	30,000	30,000	23,819	(6,181)
Culture and recreation:				
Summer programs:				
North Baton Rouge Community Center	--	18,865	19,070	205
Riverfront docking fees	6,140	6,140	7,931	1,791
Conservation and development:				
Rent/utilities:				
Leo S. Butler Community Center	15,000	15,000	23,781	8,781
North Baton Rouge Community Center	--	8,120	34,279	26,159
Dr. Martin Luther King, Jr. Community Center	4,680	11,180	18,582	7,402
Chaneyville Community Center	500	500	5,229	4,729
Rent/donations:				
Delmont Community Center	8,060	8,060	34,221	26,161
Total charges for services	19,432,780	19,437,805	23,093,747	3,655,942
Fines and forfeits:				
City court criminal fines and forfeitures	225,000	225,000	247,349	22,349
City court forfeitures	125,000	125,000	69,545	(55,455)
City court traffic fines	1,050,000	1,050,000	1,289,088	239,088
Alcoholic Beverage Control Board fines	19,000	19,000	46,493	27,493
Total fines and forfeits	1,419,000	1,419,000	1,652,475	233,475
Investment earnings	420,000	420,000	2,139,990	1,719,990
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	19,575	575
Buildings	140,380	140,380	139,672	(708)
Oil, gas and mineral royalties	60,000	60,000	138,853	78,853
Airport note	2,168,830	2,156,779	2,152,959	(3,820)
East Baton Rouge sewerage commission	6,923,930	6,841,636	6,841,635	(1)
Emergency Operations Recoveries	--	24,759	22,449	(2,310)
Condemnations	60,000	60,000	106,331	46,331
Juvenile detention meals	2,500	2,500	1,731	(769)
Confiscated funds - police	130,000	130,000	601,910	471,910
Abandoned or impounded bicycles	6,000	6,000	--	(6,000)
Police - miscellaneous revenues	500,000	500,000	354,769	(145,231)
Juvenile detention reimbursement	100,000	100,000	98,155	(1,845)
Donations and Contributions	10,000	63,790	56,475	(7,315)
Other	18,100	9,194	50,844	41,650
Total miscellaneous revenues	10,138,740	10,114,038	10,585,358	471,320
Total revenues	217,734,130	224,160,415	252,257,173	28,096,758

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 7
(Continued)**

EXPENDITURES	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current:				
General government:				
Metropolitan council	\$ 876,060	\$ 876,910	\$ 770,841	\$ 106,069
Council administrator	1,574,931	1,508,426	1,430,724	77,702
Council budget office	186,470	186,471	176,352	10,119
Parish attorney	6,333,647	6,530,938	6,474,918	56,020
Public information office	228,140	262,740	260,203	2,537
Planning commission	1,159,366	1,357,611	1,122,514	235,097
City court - administration	6,767,591	6,700,155	6,574,976	125,179
City constable	1,965,950	1,920,066	1,882,626	37,440
Justice of peace and ward constables	60,360	61,610	61,605	5
Sheriff - costs of court	215,000	215,000	177,714	37,286
Registrar of voters	575,428	571,428	547,781	23,647
Mayor - president	1,127,491	1,329,709	1,156,324	173,385
Finance	7,498,537	7,379,298	6,607,832	771,466
Collection of funds	1,974,940	2,080,109	2,080,101	8
Information services	2,548,900	2,439,322	2,439,322	--
Computerized systems	1,126,312	1,206,932	497,707	709,225
Purchasing	900,449	862,789	839,831	22,958
Human resources	2,675,132	2,645,710	2,580,799	64,911
Risk management	3,851,224	4,452,123	3,439,221	1,012,902
Municipal fire and police civil service board	53,440	55,910	55,904	6
Public works - administration, engineering, warehouse, citizen service center, and building maintenance	14,295,849	14,657,193	14,654,728	2,465
Priority Building Improvements	1,250,000	1,250,000	514,830	735,170
Capital area legal services	39,290	39,290	39,290	--
Municipal associations	98,550	98,550	94,799	3,751
Total general government	57,383,057	58,688,290	54,480,942	4,207,348
Public safety:				
Baker and Zachary Fire Protection Districts	2,326	1,163	1,163	--
Sheriff - correctional institution	4,227,937	4,371,284	4,292,930	78,354
Mayor-President's anti-drug task force	293,250	90,239	90,239	--
Police	55,117,584	55,030,018	51,781,902	3,248,116
Fire	33,866,409	33,764,020	33,764,020	--
Emergency medical services	3,550,834	3,359,113	3,153,656	205,457
Juvenile services	3,774,450	3,733,207	3,622,060	111,147
Emergency preparedness	335,880	350,880	334,664	16,216
Public works - inspection and traffic engineering	7,503,374	7,394,904	7,387,850	7,054
Demolition program	358,438	358,438	290,425	68,013
Crimestoppers	13,390	13,390	13,390	--
Total public safety	109,043,872	108,466,656	104,732,299	3,734,357
Transportation:				
Public works - highway division	17,433,322	18,878,595	18,878,261	334
Street lighting	3,845,000	4,004,112	4,004,112	--
Federal urban system	150,000	150,000	--	150,000
Street maintenance	95,580	95,580	95,580	--
Total transportation	21,523,902	23,128,287	22,977,953	150,334

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 7
(Continued)**

EXPENDITURES (continued)	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current (continued):				
Sanitation:				
Public works - waste management	\$ 14,606,152	\$ 14,853,010	\$ 14,714,830	\$ 138,180
Health and welfare:				
Health unit	563,800	558,776	495,630	63,146
Council on Aging projects	661,050	661,925	661,925	-
Crisis Care Center	185,050	185,050	185,034	16
Baton Rouge Area Alcohol and Drug Center	161,710	161,710	161,710	-
O'Brien House	17,020	17,020	17,020	-
Abounding Love Ministries, Incorporated	5,000	5,000	5,000	-
Hidden Treasure Prison Fellowship, Inc.	5,000	5,000	5,000	-
Working to Achieve	5,000	5,000	5,000	-
Total health and welfare	1,603,630	1,599,481	1,536,319	63,162
Culture and recreation:				
Community Centers Summer Programs	5,470	24,334	15,387	8,947
Louisiana Arts and Science Museum	691,240	691,240	691,240	-
Arts Council of Greater Baton Rouge	131,550	131,550	131,550	-
Baton Rouge Symphony Association	91,060	91,060	91,060	-
U.S.S. Kidd	128,400	130,191	130,191	-
Baton Rouge Center for World Affairs	84,920	84,920	84,920	-
Total culture and recreation	1,132,640	1,153,295	1,144,348	8,947
Conservation and development:				
Economic Development Program	330,979	431,979	215,162	216,817
Urban Restoration Projects	438,749	438,749	2,949	435,800
Community centers	1,034,832	1,097,666	1,000,952	96,714
Human Development and Services	584,860	584,860	511,063	73,797
Rotary Club of Baton Rouge	-	25,000	25,000	-
Shout Out USA	-	7,800	-	7,800
Earth Day	22,990	22,990	22,990	-
Cooperative Extension Service	51,910	51,910	47,916	3,994
Veterans Service Office	46,770	46,770	46,763	7
Big Buddy Program	58,210	58,210	58,210	-
Greater Baton Rouge Food Bank	22,320	22,320	22,320	-
CAFC/Children's Coalition	-	25,000	25,000	-
Can Do	120,432	27,802	27,760	42
Total conservation and development	2,712,052	2,841,056	2,006,085	834,971
Capital outlay	1,870,660	1,118,479	-	1,118,479
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	98,110	98,110	87,147	10,963
District Attorney of the Nineteenth Judicial District	3,353,565	3,353,565	3,353,565	-
Nineteenth Judicial District Court	4,149,790	4,399,790	4,380,265	19,525
E.B.R. Parish Family Court	721,160	730,090	729,654	436
E.B.R. Parish Juvenile Court	811,874	841,544	821,896	19,648
Nineteenth Judicial District Indigent Defender Board	213,270	213,270	214,138	(868)
E.B.R. Parish Clerk of Court	472,690	488,882	486,806	2,076

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 7
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Intergovernmental expenditures (continued):				
E.B.R. Parish Coroner	\$ 721,500	\$ 742,148	\$ 788,356	\$ (46,208)
Brownsfield Fire Protection District	17,050	17,050	17,050	--
E.B.R. Parish Fire Protection District No. 6	68,990	68,990	68,990	--
Eastside Fire Protection District	32,740	68,615	68,615	--
Pride Fire Protection District	11,120	11,701	11,701	--
Chaneyville Fire Protection District	22,230	24,311	24,311	--
Alaen-St. Irma Lee Fire Protection District	25,750	25,750	25,750	--
Capital Region Planning Commission	49,250	49,250	49,254	(4)
Capital Area Transit System	1,042,980	2,042,980	2,042,980	--
Total intergovernmental expenditures	11,812,069	13,176,046	13,170,478	5,568
Total expenditures	221,688,034	225,024,600	214,763,254	10,261,346
Excess (deficiency) of revenues over (under) expenditures	(3,953,904)	(864,185)	37,493,919	38,358,104
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Consolidated Garbage Service District No. 1	1,136,110	1,124,583	1,124,583	--
State and Local Government Securities				
Debt Service Fund	1,027,570	1,027,570	1,027,573	3
Total transfers in	2,163,680	2,152,153	2,152,156	3
Transfers out:				
City Constable Court	--	(54,056)	(54,056)	--
Downtown Development District	--	(40,500)	(40,500)	--
Animal Control Center Fund	(618,070)	(639,070)	(639,070)	--
Grants Fund	(5,000)	(248,390)	(216,885)	31,505
Taxable Refunding Bonds Fund	(5,243,620)	(5,243,620)	(5,242,615)	1,005
Excess Revenue and Limited Tax Fund	(409,890)	(409,890)	(400,684)	9,206
Capital Projects Fund	(1,594,120)	(6,130,496)	(6,130,496)	--
Baton Rouge River Center	(979,200)	(1,129,200)	(1,129,200)	--
Greater Baton Rouge Parking Authority	(252,730)	(252,730)	(252,730)	--
Comprehensive Sewerage System Fund	(4,000,000)	(4,000,000)	(4,000,000)	--
Greater Baton Rouge Airport Fund	--	(1,279,273)	(1,279,273)	--
Total transfers out	(13,102,630)	(19,427,225)	(19,385,509)	41,716
Proceeds of capital asset disposition	260,000	286,313	670,400	384,087
Total other financing sources and uses	(10,678,950)	(16,988,759)	(16,562,953)	425,806
Net change in fund balances	(14,632,854)	(17,852,944)	20,930,966	38,783,910
Fund balances, January 1	67,527,369	67,527,369	67,527,369	--
Fund balances, December 31	\$ 52,894,515	\$ 49,674,425	\$ 88,458,335	\$ 38,783,910

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 22,828,780	\$ 22,828,780	\$ 23,463,290	\$ 634,510
Charges for services:				
Library - copy machine	78,000	78,000	69,037	(8,963)
Fines and forfeits:				
Fines	325,000	325,000	352,560	27,560
Investment earnings	500,000	500,000	1,391,304	891,304
Miscellaneous revenues:				
Donations	5,000	5,000	9,531	4,531
Other income	500	500	5,619	5,119
Total miscellaneous revenues	5,500	5,500	15,150	9,650
Total revenues	23,737,280	23,737,280	25,291,341	1,554,061
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	20,846,880	20,846,880	18,686,544	2,160,336
Capital outlay	177,567	177,567	101,333	76,234
Total expenditures	21,024,447	21,024,447	18,787,877	2,236,570
Excess (deficiency) of revenues over (under) expenditures	2,712,833	2,712,833	6,503,464	3,790,631
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital Projects Fund	(15,274,260)	(15,274,260)	(15,274,260)	--
Proceeds of capital asset disposition	--	--	1,280	1,280
Total other financing sources and uses	(15,274,260)	(15,274,260)	(15,272,980)	1,280
Net change in fund balances	(12,561,427)	(12,561,427)	(8,769,516)	3,791,911
Fund balances, January 1	28,386,236	28,386,236	28,386,236	--
Fund balances, December 31	\$ 15,824,809	\$ 15,824,809	\$ 19,616,720	\$ 3,791,911

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal grants:				
Federal Emergency Management Agency	\$ 860,755	\$ 860,011	\$ 156,115	\$ (703,896)
Department of Justice	1,523,354	1,298,696	785,853	(512,843)
Department of Transportation	352,404	352,404	322,349	(30,055)
Department of Health and Human Services	8,912,980	11,120,186	8,759,161	(2,361,025)
Department of Housing and Urban Development	34,550,606	34,740,060	11,173,258	(23,566,802)
Environmental Protection Agency	401,793	401,793	99,615	(302,178)
State grants:				
Highway Safety Commission	154,602	154,566	55,304	(99,262)
Commission on Law Enforcement	418,000	417,374	392,382	(24,992)
Department of Military Affairs	33,139,350	33,139,350	15,950,174	(17,189,176)
Department of Public Safety and Corrections	1,377,025	1,633,956	854,450	(779,506)
Office of the Governor	1,613,329	1,625,074	108,720	(1,516,354)
Louisiana State Supreme Court	76,589	76,589	76,589	-
Department of Revenue	39,000	39,000	38,784	(216)
Department of Transportation and Development	156,836	183,342	26,506	(156,836)
Louisiana Housing Finance Agency	1,294,725	1,423,623	1,123,858	(299,765)
Department of Culture, Recreation and Tourism	183,012	183,012	91,281	(91,731)
Louisiana Endowment for the Humanities	17,307	17,307	17,289	(18)
Louisiana Department of Treasury	110,600	125,600	125,600	-
Department of Social Services	786,639	665,977	352,095	(313,882)
Department of Labor	12,962,063	12,343,481	8,689,607	(3,653,874)
Department of Environmental Quality	374,616	373,359	84,126	(289,233)
Department of Agriculture	8,000	8,000	965	(7,035)
Department of Education	3,130,643	2,603,151	1,781,557	(821,594)
Department of Economic Development	79,232	83,130	32,966	(50,164)
Other grants:				
Capital Region Planning Commission	124,250	124,250	53,880	(70,370)
Entergy	71,376	71,376	25,768	(45,608)
Gates Library Foundation	33,367	33,367	33,367	-
Pennington Foundation	20,000	20,000	20,000	-
Summerlee Foundation	496	496	-	(496)
North Baton Rouge Chemical Industry Task Force	324	324	7	(317)
Junior League of Baton Rouge, Inc.	5,000	5,000	4,428	(572)
American Library Association	1,500	1,500	-	(1,500)
National Network of Libraries of Medicine	5,000	5,000	4,284	(716)
American Red Cross	-	-	800,000	800,000
Arts Council of Greater Baton Rouge	15,662	15,662	6,981	(8,681)
Capital Area United Way	21,293	23,678	23,678	-
Total intergovernmental revenues	102,821,728	104,169,694	52,070,997	(52,098,697)
Investment earnings	-	48,937	55,831	6,894
Miscellaneous revenues:				
Program income (Housing and Urban Development)	650,000	1,680,526	1,680,526	-
Condemnations (Housing and Urban Development)	-	378	378	-
Headstart - in kind contributions	2,096,324	2,073,977	2,073,977	-
Other	-	5,000	5,000	-
Total miscellaneous revenues	2,746,324	3,759,881	3,759,881	-
Total revenues	105,568,052	107,978,512	55,886,709	(52,091,803)

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government:				
City Constable - Domestic Violence Grant	\$ 337,116	\$ 112,458	\$ 112,458	\$ --
Governor's Safe and Drug Free Schools and Communities	49,837	48,812	32,769	16,043
General Appropriation Act-City Constable	50,000	50,000	50,000	--
City Court Fax Machine Grant	865	865	865	--
City Constable - DARE	175,149	175,149	91,207	83,942
City Constable Electronic Equipment	864	789	789	--
Louisiana Commission on Law Enforcement-Info Sharing	13,417	13,417	12,746	671
Total general government	627,248	401,490	300,834	100,656
Public safety:				
FEMA-Assistance to Firefighters	192,168	192,168	--	192,168
FEMA-Metropolitan Medical Response System	602,955	602,955	114,934	488,021
FEMA-Hurricane Katrina	24,794,616	24,794,616	19,772,729	5,021,887
FEMA-Hurricane Rita	2,076,022	2,076,022	3,524	2,072,498
Local Law Enforcement Block Grant	165,865	159,914	75,403	84,511
Drug-free Communities	80,997	80,997	78,513	2,484
Domestic Preparedness Equipment Program	8,819	17,269	17,269	--
Project Sentry	148,373	148,373	106,335	42,038
Project Safe Neighborhoods	42,929	42,929	41,581	1,348
Police Bulletproof Vest Program Grant	7,323	7,323	--	7,323
Community Prosecution and Project Safe Neighborhoods	131,430	131,430	55,971	75,459
Project Safe Neighborhoods Community Outreach Program	391,589	391,589	215,198	176,391
Edward Byrne Memorial Justices Assistance Grant	54,168	54,168	46,034	8,134
Metropolitan Medical Response System	53,965	43,665	43,665	--
Medical Reserve Corps	54,274	104,274	1,551	102,723
East Baton Rouge Parish Jail Diversion Program	215,517	515,517	150,229	365,288
High Intensity Drug Trafficking Area	6,624	--	--	--
Rural Development Grant	38,600	38,600	38,600	--
Governor's Safe and Drug-free Schools and Community	20,375	13,130	13,130	--
State and Local Domestic Preparedness Equipment Program	841,851	841,851	449,900	391,951
Domestic Preparedness Equipment Grant: Urban Search and Rescue Funding	290	289	289	--
Title IV-E Reimbursements	192,678	232,096	91,653	140,443
Hurricane Lili-Tropical Storm Isidore Hazard Mitigation Plan	23,246	23,246	8,750	14,496
Hazardous Materials Emergency Preparedness Grant	12,463	12,463	12,463	--
Citizen Corps Council	28,021	28,021	7,309	20,712
Supplemental Planning Grant	150	317	317	--
Regional Planning Grant	1,286	1,286	1,286	--
Regional Bioterrorism and Emergency Response Planning	43,142	43,142	33,700	9,442
Urban Areas Security Initiative Grant	3,104,846	3,137,521	384,719	2,752,802
Families In Need of Services	119,439	128,063	102,985	25,078
Juvenile and Underage Drinking Enforcement Task Force	39,000	39,000	38,785	215
Drug Abuse Resistance Education	40,097	40,077	40,077	--
City Court Electronic Equipment Enhancement	853	853	853	--
Juvenile Accountability Incentive Block Grant	197,334	197,334	192,200	5,134
Integrated Criminal Apprehension Project	130,028	130,028	116,428	13,600
Law Enforcement Terrorism Prevention Program	606	--	--	--
Reduce Underage Drinking	67,412	65,340	32,511	32,829
Operation Crossroads	98,873	98,837	27,349	71,488
Capital Region Planning Commission				
Transportation Planning	48,000	48,000	35,755	12,245

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 9
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Public safety (continued):				
Shelter-in-Place Educational Partnership	\$ 324	\$ 324	\$ 7	\$ 317
Pennington Foundation Grants	20,000	20,000	20,000	--
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics				
Task Force Program Income	137,492	141,024	40,858	100,166
Total public safety	34,234,040	34,644,051	22,412,860	12,231,191
Transportation:				
Capital Area Transit	440,350	440,350	428,232	12,118
Street Name Sign Program	135,685	135,685	--	135,685
I-10/I12 Planter Enhancement	21,151	21,151	--	21,151
East Baton Rouge Flood Property Acquisition	123,941	123,941	(267)	124,208
Capital Region Planning Commission				
Transportation Planning Study	36,250	36,250	18,125	18,125
Mass transit local assistance	250,000	250,000	--	250,000
Total transportation	1,007,377	1,007,377	446,090	561,287
Health and welfare:				
Summer Food Program	1,207,088	954,643	954,643	--
Council on Aging Rural Development - Chaneyville	984	--	--	--
Low Income Housing Energy Assistance Program	954,721	1,122,341	974,992	147,349
Temporary Assistance to Needy Families	11,172	11,172	--	11,172
Federal Emergency Management Agency				
Emergency Shelter	21,293	23,678	23,678	--
Summerlee Foundation Grant	496	496	--	496
Non-grant funds:				
Health Insurance	468	468	--	468
Weatherization Assistance Program	640	640	--	640
Summer Food Program	5,362	10,765	--	10,765
Temporary Assistance to Needy Families	96,660	96,660	--	96,660
Total health and welfare	2,298,884	2,220,863	1,953,313	267,550
Culture and recreation:				
State Aid to Public Libraries	183,012	183,012	91,281	91,731
Louisiana Dept. of Treasury-American Bowling Conference	60,600	60,600	60,600	--
Decentralized Arts Funding Grant	17,403	17,403	6,981	10,422
Gates Library Foundation Grant	33,367	33,367	33,367	--
Junior League of Baton Rouge, Inc.	5,000	5,000	4,428	572
American Library Association Grants	1,500	1,500	--	1,500
National Network of Libraries of Medicine	5,000	5,000	5,000	--
Total culture and recreation	305,882	305,882	201,657	104,225
Conservation and development:				
Environmental Protection Agency				
Brownsfield Pilot Program	401,793	401,793	138,731	263,062
Section 8 Operating Reserve	276,977	355,695	(24)	355,719
Sharlo Terrace II	475,307	476,690	326,349	150,341
MOD IV Section 8 Rehabilitation	--	(63,632)	(63,632)	--
Section 8 Voucher Program	1,060,533	1,740,049	1,243,993	496,056
Katrina Disaster Housing Assistance Program	108,471	121,146	27,161	93,985

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT A - 9
(Continued)

EXPENDITURES (continued)	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current (continued):				
Conservation and development (continued):				
Downtown Parking Structure Feasibility Study	\$ 3,912	\$ 3,912	\$ 3,912	\$ -
Headstart	8,539,455	9,970,977	8,507,192	1,463,785
Arbor Week Community Education Initiative	8,000	8,000	965	7,035
Headstart Food Program	1,923,555	1,643,106	821,511	821,595
Community Services Block Grant	1,284,732	1,369,307	974,719	394,588
McKinley High Renovations	1,500,000	1,500,000	-	1,500,000
DDD Restoration Renaissance	24,532	24,532	24,221	311
Christians of Education Rural Development Grant	3,534	-	-	-
Louisiana Job Employment Training	622,983	502,320	239,594	262,726
Community Development Emergency Shelter Grants	163,656	163,656	112,501	51,155
North Baton Rouge Community Center	15,000	15,000	15,000	-
Flood Mitigation Assistance Program - Acquisition/ Elevation of Structures	5,633	5,633	628	5,005
USTfields Pilot Program	6,111	4,967	4,967	-
Blight Elimination Grant	7,323	7,210	7,210	-
Non-Point Source Pollution in Urban Watershed	361,182	361,182	154,534	206,648
Workforce Investment Act:				
Administration	876,202	876,202	482,649	393,553
Adult Program	2,569,876	2,869,876	1,959,212	910,664
Youth Program	2,143,612	2,150,063	1,575,784	574,279
Dislocated Workers Program	2,643,716	1,637,866	834,378	803,488
Strategies to Empower People	161,908	158,751	93,379	65,372
Hurricane Katrina	3,274,017	3,274,017	2,611,291	662,726
Weatherization Assistance Program	328,832	284,418	183,923	100,495
Small and Emerging Business Development Program	79,232	83,130	38,017	45,113
Gulf States Emergency Management	36,376	36,376	25,768	10,608
Entergy Grant	35,000	35,000	-	35,000
Louisiana Endowment for the Humanities - Public				
Humanities Program	17,307	17,307	17,289	18
Riverfront Master Plan	50,000	50,000	-	50,000
Non-grant funds:				
Headstart Programs	34,182	34,182	1,395	32,787
Rental Rehabilitation Local Funds	495,875	530,858	34	530,824
Head Start - In Kind Services	2,096,324	2,073,977	2,073,977	-
Louisiana Job Employment Training	80,842	80,842	5,360	75,482
Community Development Block Grant:				
Riverfront Master Plan	200,000	200,000	-	200,000
Public Improvements, Facilities	40,715	40,715	-	40,715
Demolition and Clearance	390,634	390,634	-	390,634
Public Services	1,470,129	1,470,129	658,285	811,844
Relocation Assistance	40,000	40,000	-	40,000
Housing Rehabilitation	7,051,119	7,166,196	3,348,890	3,817,306
Economic Development	75,235	75,235	-	75,235
Planning	10,000	10,000	-	10,000
Program Administration	3,904,380	4,055,238	1,358,185	2,697,053
Contingencies	481,324	353,824	-	353,824
Community Development Home Program:				
Construction of Housing	56,488	56,488	-	56,488
Direct Home Ownership Assistance	4,182,755	4,017,600	1,064,490	2,953,110
Housing Rehabilitation	1,857,579	1,631,279	-	1,631,279

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT A - 9
(Continued)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
Community Development Home Program (continued):				
Program Administration	\$ 1,927,315	\$ 2,652,393	\$ 542,379	\$ 2,110,014
Community Housing Development Organization	2,584,259	2,975,714	518,636	2,457,078
Continuum of Care - Supportive Housing Program:				
Public Services	3,960,282	3,466,461	1,342,813	2,123,648
Program Administration	205,900	180,515	70,027	110,488
Housing Opportunities for Persons with AIDS Program:				
Public Services	3,071,887	3,071,887	1,070,873	2,001,014
Program Administration	544,298	544,298	31,135	513,163
Total conservation and development	63,770,289	65,203,014	32,447,701	32,755,313
Capital outlay	6,494,651	7,786,041	1,986,036	5,800,005
Total expenditures	108,738,371	111,568,718	59,748,491	51,820,227
Excess (deficiency) of revenues over (under) expenditures	(3,170,319)	(3,590,206)	(3,861,782)	(271,576)
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	174,740	216,885	216,885	--
Proceeds of capital asset disposition	--	1,548	1,548	--
Total other financing sources	174,740	218,433	218,433	--
Net change in fund balances	(2,995,579)	(3,371,773)	(3,643,349)	(271,576)
Fund balances, January 1	3,456,348	3,456,348	3,456,348	--
Fund balances, December 31	\$ 460,769	\$ 84,575	\$ (187,001)	\$ (271,576)

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

EXHIBIT A - 10

	Business-type Activities - Enterprise Funds				Governmental
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,605,858	\$ 74,810,083	\$ 10,257,712	\$ 86,673,653	\$ 9,371,308
Investments	2,982,309	138,933,012	12,858,717	154,774,038	--
Sales taxes receivable	--	4,105,792	--	4,105,792	--
Accounts receivable - net	1,346,824	4,680,486	1,241,698	7,269,008	--
Accrued interest receivable	14,879	1,099,991	117,151	1,232,021	46,814
Special assessments receivable	--	106,000	--	106,000	--
Investment in joint venture (Note 19)	--	--	2,473,958	2,473,958	--
Due from other governments (Note 11)	2,248,600	177,472	303,681	2,729,753	--
Prepaid items	--	--	15,209	15,209	--
Inventory	--	--	53,686	53,686	284,519
Total current assets	8,198,470	223,912,836	27,321,812	259,433,118	9,702,641
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	456,568	5,098,347	881,664	6,436,579	--
Investments	847,912	39,076,730	1,590,653	41,515,295	--
Accounts receivable - net	429,209	--	--	429,209	--
Accrued interest receivable	7,048	617,207	7,183	631,438	--
Total restricted assets	1,740,737	44,792,284	2,479,500	49,012,521	--
Deferred bond issuance costs	70,057	1,944,283	--	2,014,340	--
Capital assets (Note 6):					
Land	51,116,397	9,346,867	11,007,858	71,471,122	47,568
Buildings	80,528,329	--	78,335,596	158,863,925	2,213,798
Noise mitigation costs	21,631,728	--	--	21,631,728	--
Improvements (other than buildings)	93,750,789	647,988,414	33,804,365	775,543,568	7,190
Equipment	2,617,207	8,157,920	1,446,422	12,221,549	21,770,056
Construction work in progress	1,016,108	18,549,642	2,066	19,567,816	--
Total capital assets	250,660,558	684,042,843	124,596,307	1,059,299,708	24,038,612
Accumulated depreciation	(56,122,493)	(297,729,773)	(48,442,508)	(402,294,774)	(18,944,919)
Net capital assets	194,538,065	386,313,070	76,153,799	657,004,934	5,093,693
Total noncurrent assets	196,348,859	433,049,637	78,633,299	708,031,795	5,093,693
Total assets	204,547,329	656,962,473	105,955,111	967,464,913	14,796,334

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

EXHIBIT A - 10
(Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	\$ 3,117,353	\$ 4,368,755	\$ 3,166,725	\$ 10,652,833	\$ 918,316
Accrued salaries payable	79,946	297,401	45,416	422,763	29,221
Accrued interest payable	46,869	4,312,060	770	4,359,699	-
Unearned revenue	-	106,370	1,130,216	1,236,586	-
Obligations payable (Note 10)	176,250	4,453,147	-	4,629,397	-
Bonds payable (Note 10)	384,800	10,565,000	142,500	11,092,300	-
Compensated absences payable	232,182	1,118,000	77,339	1,427,521	187,057
Total current liabilities	<u>4,037,400</u>	<u>25,220,733</u>	<u>4,562,966</u>	<u>33,821,099</u>	<u>1,134,594</u>
Noncurrent liabilities:					
Obligations payable (Note 10)	4,587,917	25,797,199	-	30,385,116	-
Bonds payable (Note 10)	17,461,012	224,136,062	2,237,000	243,834,074	-
Net deferred amount on refunding and premiums (Note 10)	-	(1,479,574)	-	(1,479,574)	-
Loans payable	450,000	-	-	450,000	-
Landfill closure and postclosure care liability (Note 17)	-	-	13,226,139	13,226,139	-
Total noncurrent liabilities	<u>22,498,929</u>	<u>248,453,687</u>	<u>15,463,139</u>	<u>286,415,755</u>	<u>-</u>
Total liabilities	<u>26,536,329</u>	<u>273,674,420</u>	<u>20,026,105</u>	<u>320,236,854</u>	<u>1,134,594</u>
NET ASSETS					
Invested in capital assets, net of related debt	171,548,143	146,364,236	76,153,799	394,066,178	5,093,693
Restricted for capital projects	-	-	558,705	558,705	-
Restricted for debt service	-	31,224,690	-	31,224,690	-
Restricted Passenger Facility Charges	1,634,365	-	-	1,634,365	-
Unrestricted	4,828,492	205,699,127	9,216,502	219,744,121	8,568,047
Total net assets	<u>\$ 178,011,000</u>	<u>\$ 383,288,053</u>	<u>\$ 85,929,006</u>	<u>\$ 647,228,059</u>	<u>\$ 13,661,740</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT A - 11

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
OPERATING REVENUES					
Charges for services	\$ 12,678,639	\$ 55,800,019	\$ 12,297,765	\$ 80,776,423	\$ 13,999,600
Miscellaneous revenues	313,763	64,672	134,287	512,722	--
Total operating revenues	<u>12,992,402</u>	<u>55,864,691</u>	<u>12,432,052</u>	<u>81,289,145</u>	<u>13,999,600</u>
OPERATING EXPENSES					
Personal services	2,884,978	10,907,691	1,954,720	15,747,389	1,355,613
Employee benefits	1,083,371	3,902,371	460,617	5,446,359	520,437
Supplies	389,187	2,053,910	2,190,527	4,633,624	192,259
Contractual services	3,536,928	17,374,339	9,822,590	30,733,857	2,932,751
Landfill closure and postclosure care expense	--	--	1,061,574	1,061,574	--
Cost of materials	--	--	--	--	6,570,096
Depreciation	7,642,277	23,778,024	4,431,012	35,851,313	2,802,033
Management fee	--	--	310,378	310,378	--
Total operating expenses	<u>15,536,741</u>	<u>58,016,335</u>	<u>20,231,418</u>	<u>93,784,494</u>	<u>14,373,189</u>
Operating income (loss)	<u>(2,544,339)</u>	<u>(2,151,644)</u>	<u>(7,799,366)</u>	<u>(12,495,349)</u>	<u>(373,589)</u>
NONOPERATING REVENUES					
(EXPENSES)					
Taxes pledged as securities for revenue bonds	--	35,972,213	--	35,972,213	--
Operating grants	19,900	177,440	217,789	415,129	--
Net income (loss) from joint venture	--	--	(29,517)	(29,517)	--
Passenger facility charges (Note 16)	1,732,096	--	--	1,732,096	--
Customer facility charges	1,965,424	--	--	1,965,424	--
Investment earnings	(44,830)	7,142,903	669,139	7,767,212	257,199
Interest expense	(881,503)	(13,230,177)	(82,347)	(14,194,027)	--
Bond issuance costs	--	(449,537)	--	(449,537)	--
Gain (loss) on disposition of capital assets	--	94,000	8,345	102,345	304,613
Total nonoperating revenues (expenses)	<u>2,791,087</u>	<u>29,706,842</u>	<u>783,409</u>	<u>33,281,338</u>	<u>561,812</u>
Income (loss) before contributions and transfers	246,748	27,555,198	(7,015,957)	20,785,989	188,223
Capital contributions	17,492,370	7,650,428	3,578,979	28,721,777	--
Transfers in	1,279,273	4,000,000	5,522,153	10,801,426	--
Change in net assets	19,018,391	39,205,626	2,085,175	60,309,192	188,223
Total net assets - January 1, restated	<u>158,992,609</u>	<u>344,082,427</u>	<u>83,843,831</u>	<u>586,918,867</u>	<u>13,473,517</u>
Total net assets - December 31	<u>\$ 178,011,000</u>	<u>\$ 383,288,053</u>	<u>\$ 85,929,006</u>	<u>\$ 647,228,059</u>	<u>\$ 13,661,740</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT A - 12

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 12,434,414	\$ 55,359,128	\$ 13,510,986	\$ 81,304,528	\$ 13,999,600
Payments to suppliers for goods and services	(4,003,618)	(19,021,643)	(10,749,704)	(33,774,965)	(9,619,278)
Payments to employees for services and benefits	(3,951,096)	(14,642,259)	(2,411,610)	(21,004,965)	(1,866,117)
Other operating receipts	--	64,672	--	64,672	--
Net cash provided by (used for) operating activities	4,479,700	21,759,898	349,672	26,589,270	2,514,205
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Receipts from general property taxes	--	648	--	648	--
Receipts from general sales and use taxes	--	35,166,186	--	35,166,186	--
Operating grants received	17,890	--	217,789	235,679	--
Transfers in from other funds	1,279,273	4,000,000	4,011,602	9,290,875	--
Loans from other funds	450,000	--	--	450,000	--
Repayment of loans to other funds	(9,231,756)	--	--	(9,231,756)	--
Net cash provided by (used for) noncapital financing activities	(7,484,593)	39,166,834	4,229,391	35,911,632	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of debt	6,960,232	67,926,461	1,960,257	76,846,950	--
Proceeds from capital grants	23,520,504	84,573	--	23,605,077	--
Proceeds from sale of capital assets	--	111,494	8,345	119,839	332,443
Passenger facility charges	1,450,696	--	--	1,450,696	--
Customer facility charges	1,730,495	--	--	1,730,495	--
Acquisition and construction of capital assets	(22,179,428)	(26,735,015)	(4,779,768)	(53,694,211)	(1,571,597)
Principal paid on bonds, obligations and capital leases	(2,209,808)	(13,475,228)	(116,000)	(15,801,036)	--
Interest paid on bonds, obligations and capital leases	(928,899)	(14,631,711)	(82,346)	(15,642,956)	--
Payment made to Refunding Bonds Escrow Agent	--	(61,589,913)	--	(61,589,913)	--
Capital contributed by other governments	--	--	4,678,566	4,678,566	--
Capital contributed from impact fees	--	5,279,377	--	5,279,377	--
Net cash provided by (used for) capital and related financing activities	8,343,792	(43,029,962)	1,669,054	(33,017,116)	(1,239,154)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments	(3,830,221)	(178,009,742)	(14,449,370)	(196,289,333)	--
Proceeds from sales and maturities of investments	--	162,684,173	12,347,935	175,032,108	--
Investment in joint venture	--	--	(1,550,617)	(1,550,617)	--
Cash received from joint venture activity	--	--	363	363	--
Cash paid for expenses of joint venture	--	--	(1,039)	(1,039)	--
Interest received on investments	(79,800)	6,346,660	595,898	6,862,758	228,772
Net cash provided by (used for) investing activities	(3,910,021)	(8,978,909)	(3,056,830)	(15,945,760)	228,772

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT A - 12
(Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
Net increase (decrease) in cash and cash equivalents (Note 1)	\$ 1,428,878	\$ 8,917,861	\$ 3,191,287	\$ 13,538,026	\$ 1,503,823
Cash and cash equivalents, January 1	633,548	70,990,569	7,948,089	79,572,206	7,867,485
Cash and cash equivalents, December 31	<u>\$ 2,062,426</u>	<u>\$ 79,908,430</u>	<u>\$ 11,139,376</u>	<u>\$ 93,110,232</u>	<u>\$ 9,371,308</u>
Classified as:					
Current assets	\$ 1,605,858	\$ 74,810,083	\$ 10,257,712	\$ 86,673,653	\$ 9,371,308
Restricted assets	456,568	5,098,347	881,664	6,436,579	--
Totals	<u>\$ 2,062,426</u>	<u>\$ 79,908,430</u>	<u>\$ 11,139,376</u>	<u>\$ 93,110,232</u>	<u>\$ 9,371,308</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (2,544,339)	\$ (2,151,644)	\$ (7,799,366)	\$ (12,495,349)	\$ (373,589)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	7,642,277	23,778,024	4,431,012	35,851,313	2,802,033
Landfill closure and postclosure care expense	--	--	1,061,574	1,061,574	--
Increase (decrease) in compensated absences payable	8,829	122,048	1,289	132,166	22,634
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(557,988)	(54,905)	374,048	(238,845)	--
Decrease (increase) in prepaid items	--	--	16,802	16,802	--
Decrease (increase) in inventory	--	--	(53,686)	(53,686)	(85,610)
Increase (decrease) in accounts and contracts payable	(77,503)	20,619	1,610,990	1,554,106	161,439
Increase (decrease) in accrued salaries payable	8,424	45,756	2,438	56,618	(12,702)
Increase (decrease) in unearned revenue	--	--	704,571	704,571	--
Total adjustments	<u>7,024,039</u>	<u>23,911,542</u>	<u>8,149,038</u>	<u>39,084,619</u>	<u>2,887,794</u>
Net cash provided by (used for) operating activities	<u>\$ 4,479,700</u>	<u>\$ 21,759,898</u>	<u>\$ 349,672</u>	<u>\$ 26,589,270</u>	<u>\$ 2,514,205</u>
Non cash investing, capital, and financing activities:					
Gain in fair value of investments	\$ 21,927	\$ 1,717,198	\$ 124,334	\$ 1,863,459	\$ 46,814
Capital assets contributed from other funds	--	--	5,838,630	5,838,630	--
Loss on disposal of capital assets	--	(17,494)	--	(17,494)	(27,830)
Loss from joint venture	--	--	(26,042)	(26,042)	--

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

EXHIBIT A - 13

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 15,310,833
Receivables:	
Employee contributions	1,805,834
Employer contributions	604,912
Interest and dividends	1,189,282
Pending trades	6,623,777
Other contributions	654,266
Total receivables	<u>10,878,071</u>
Investments, at fair value	
U.S. government obligations	87,586,921
Bonds - domestic	49,126,592
Bonds - domestic index fund	135,920,045
Equity securities - domestic	433,716,460
Equity securities - international	197,098,363
Real estate investments	48,344,326
Total investments	<u>951,792,707</u>
Securities lending collateral:	
Short term securities - securities lending program	<u>32,426,873</u>
Capital assets:	
Land	550,628
Buildings	706,345
Equipment	159,378
Accumulated depreciation	(701,148)
Total capital assets	<u>715,203</u>
 Total assets	 <u>1,011,123,687</u>
 LIABILITIES	
Accrued expenses and benefits payable	1,086,445
Pending Trade Payables	23,564,610
Securities lending obligations:	
Obligations held-securities lending program	<u>32,426,873</u>
 Total liabilities	 <u>57,077,928</u>
 NET ASSETS	
Held in trust for pension benefits	<u>\$ 954,045,759</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT A - 14

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employee	\$ 11,340,942
Employer	20,731,059
Severance contributions from employee	1,310,297
Total contributions	<u>33,382,298</u>
Investment income:	
<i>From investment activities</i>	
Net appreciation (depreciation) in fair value of investments	71,640,948
Interest	6,013,181
Dividends	3,043,691
Total investment income	<u>80,697,820</u>
Less: investment expense	3,407,721
Net income from investing activities	<u>77,290,099</u>
<i>From securities lending activities</i>	
Securities lending income	136,278
Less: Borrower rebate, fees, and expenses	54,460
Net income from securities lending activities	<u>81,818</u>
Total net investment income	<u>77,371,917</u>
Total additions	<u>110,754,215</u>
DEDUCTIONS	
Benefit payments	59,997,130
Refunds and withdrawals	1,462,991
Administrative expenses	<u>1,144,897</u>
Total deductions	<u>62,605,018</u>
Change in net assets	48,149,197
Net assets - beginning of year	<u>905,896,562</u>
Net assets - end of year	<u>\$ 954,045,759</u>

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2005

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
ASSETS			
Cash and cash equivalents	\$ 3,120,462	\$ 463,400	\$ 346,577
Investments	--	--	--
Property taxes receivable - net (Note 4)	--	--	--
Accounts receivable	187,928	92,255	--
Accrued interest receivable	--	--	--
Due from other governments	--	208,692	--
Due from primary government (Note 11)	--	--	--
Prepaid items	--	--	--
Inventory	--	--	--
Net pension asset	--	--	--
Other assets	--	--	--
Restricted assets:			
Cash and cash equivalents	--	--	--
Capital assets:			
Land	--	--	--
Buildings	--	--	--
Equipment	1,665,528	814,243	317,691
Equipment under capital leases	--	--	--
Accumulated depreciation	(1,351,762)	(648,323)	(278,886)
Total assets	\$ 3,622,156	\$ 930,267	\$ 385,382

(1) As of June 30, 2005

(2) As of September 30, 2005

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	E.B.R. Parish Coroner	St. George Fire Protection District (2)	Brownsfield Fire Protection District
\$ 583,795	\$ 593,092	\$ 3,658,534	\$ 650	\$ 791,658	\$ --
--	--	1,040,000	--	--	--
--	--	--	--	66,204	60,231
4,103	177,856	655,378	44,262	2,952	--
--	--	--	--	--	--
105,328	177,034	--	--	121,569	382,257
--	10,851	--	--	--	--
--	10,517	--	--	--	--
--	--	--	--	--	--
--	--	44,004	--	17,340	--
--	--	--	--	--	--
--	--	--	--	289,531	18,592
--	--	--	--	2,073,157	91,523
369,988	180,114	7,890,958	189,367	4,373,949	313,193
--	--	--	--	--	--
(304,894)	(117,060)	(3,165,494)	(133,889)	(2,334,341)	(335,728)
\$ 758,320	\$ 1,032,404	\$ 10,123,380	\$ 100,390	\$ 5,402,019	\$ 530,068

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2005

	Governmental Fund Types		
	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District
ASSETS			
Cash and cash equivalents	\$ 725,537	\$ 124,665	\$ 98,395
Investments	--	--	--
Property taxes receivable - net (Note 4)	414,225	130,476	231,403
Accounts receivable	100,470	44,043	--
Accrued interest receivable	--	--	--
Due from other governments	1,285,959	676,272	947,303
Due from primary government (Note 11)	--	--	--
Prepaid items	--	--	--
Inventory	--	--	--
Net pension asset	--	--	--
Other assets	--	--	--
Restricted assets:			
Cash and cash equivalents	--	--	--
Capital assets:			
Land	264,018	43,000	174,373
Buildings	1,872,435	493,238	1,522,429
Equipment	2,482,806	645,580	1,396,305
Equipment under capital leases	--	534,526	143,143
Accumulated depreciation	(1,433,906)	(879,426)	(1,111,183)
Total assets	\$ 5,711,544	\$ 1,812,374	\$ 3,402,168

- (1) As of June 30, 2005
(2) As of September 30, 2005

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT A - 15
(Continued)

Governmental Fund Types				Proprietary Fund Type	
Pride Fire Protection District	Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Capital Region Planning Commission (1)	Capital Area Transit System	Totals
\$ 67,663	\$ 582	\$ 38,011	\$ 75,033	\$ 3,799	\$ 10,691,853
--	--	--	307,480	--	1,347,480
--	--	38,389	--	--	940,928
--	--	--	--	81,158	1,390,405
415	--	389	--	--	804
23,736	22,546	161,188	257,225	1,256,470	5,625,579
--	--	--	--	--	10,851
--	--	--	--	13,915	24,432
--	--	--	--	235,222	235,222
--	--	--	--	1,317,341	1,317,341
--	--	--	--	--	61,344
--	--	--	--	114,563	114,563
15,000	--	9,000	--	--	813,514
140,853	109,334	256,496	--	--	6,559,465
215,946	221,984	373,249	399,422	17,989,008	39,839,331
--	--	94,238	--	--	771,907
(216,694)	(320,902)	(508,959)	(354,792)	(5,699,970)	(19,196,209)
\$ 246,919	\$ 33,544	\$ 462,001	\$ 684,368	\$ 15,311,506	\$ 50,548,810

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2005

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
LIABILITIES			
Accounts payable and other current liabilities	\$ 36,431	\$ 85,361	\$ --
Due to other governments	--	274,839	--
Due to primary government (Note 11)	--	--	--
Accrued payables	99,683	49,101	--
Other liabilities	101,451	--	--
Non-current liabilities:			
Due within one year	--	--	--
Due in more than one year:			
Bonds and notes payable	--	--	--
Compensated absences payable	--	564,658	68,583
Obligation under capital leases (Note 10)	--	--	--
Claims and judgments payable	--	--	--
Total liabilities	<u>237,565</u>	<u>973,959</u>	<u>68,583</u>
NET ASSETS			
Invested in capital assets, net of related debt	313,766	165,920	38,805
Restricted for:			
Capital projects	--	--	--
External legal constraints	--	--	--
Unrestricted	<u>3,070,825</u>	<u>(209,612)</u>	<u>277,994</u>
Total net assets	<u>\$ 3,384,591</u>	<u>\$ (43,692)</u>	<u>\$ 316,799</u>

- (1) As of June 30, 2005
(2) As of September 30, 2005

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types					
E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	E.B.R. Parish Coroner	St. George Fire Protection District (2)	Brownsfield Fire Protection District
\$ 6,988	\$ 807,820	\$ 193,694	\$ 29,602	\$ 59,819	\$ 9,990
8,215	--	--	--	356,383	--
--	--	--	--	--	251,435
--	--	490,493	--	133,917	--
--	--	--	--	19,821	--
--	--	--	--	1,782,086	5,991
--	--	--	--	1,547,616	--
147,392	--	445,116	1,594	102,168	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>162,595</u>	<u>807,820</u>	<u>1,129,303</u>	<u>31,196</u>	<u>4,001,810</u>	<u>267,416</u>
65,094	63,054	4,725,464	55,478	2,623,311	87,580
--	--	--	--	--	--
62,641	343,907	--	--	--	--
<u>467,990</u>	<u>(182,377)</u>	<u>4,268,613</u>	<u>13,716</u>	<u>(1,223,102)</u>	<u>175,072</u>
<u>\$ 595,725</u>	<u>\$ 224,584</u>	<u>\$ 8,994,077</u>	<u>\$ 69,194</u>	<u>\$ 1,400,209</u>	<u>\$ 262,652</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2005

	Governmental Fund Types		
	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District
LIABILITIES			
Accounts payable and other current liabilities	\$ 29,499	\$ 48,251	\$ -
Due to other governments	-	-	-
Due to primary government (Note 11)	-	-	-
Accrued payables	41,383	-	37,392
Other liabilities	-	-	-
Non-current liabilities:			
Due within one year	222,223	55,040	134,564
Due in more than one year:			
Bonds and notes payable	1,722,221	-	200,000
Compensated absences payable	104,517	858	165,770
Obligation under capital leases (Note 10)	-	130,698	16,599
Claims and judgments payable	-	-	-
Total liabilities	<u>2,119,843</u>	<u>234,847</u>	<u>554,325</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,461,141	651,180	1,773,904
Restricted for:			
Capital projects	220,232	-	-
External legal constraints	-	-	-
Unrestricted	<u>1,910,328</u>	<u>926,347</u>	<u>1,073,939</u>
Total net assets	<u>\$ 3,591,701</u>	<u>\$ 1,577,527</u>	<u>\$ 2,847,843</u>

- (1) As of June 30, 2005
(2) As of September 30, 2005

The accompanying notes are an integral part of this statement.

Governmental Fund Types				Proprietary Fund Type	
Pride Fire Protection District	Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Capital Region Planning Commission (1)	Capital Area Transit System	Totals
\$ 4,790	\$ 1,911	\$ 21,739	\$ 102,084	\$ 1,275,826	\$ 2,713,805
--	--	--	--	--	639,437
--	19,551	--	--	--	270,986
--	--	--	--	--	851,969
--	--	--	4,690	--	125,962
--	--	13,858	--	1,215,371	3,429,133
--	--	--	--	--	3,469,837
--	--	--	47,699	346,168	1,994,523
--	--	--	--	6,843,800	6,991,097
--	--	--	--	1,133,880	1,133,880
<u>4,790</u>	<u>21,462</u>	<u>35,597</u>	<u>154,473</u>	<u>10,815,045</u>	<u>21,620,629</u>
155,105	10,416	224,024	44,630	4,895,447	17,354,319
--	--	--	--	--	220,232
--	--	--	--	112,831	319,379
87,024	1,666	202,380	485,265	(511,817)	10,834,251
<u>\$ 242,129</u>	<u>\$ 12,082</u>	<u>\$ 426,404</u>	<u>\$ 529,895</u>	<u>\$ 4,496,461</u>	<u>\$ 28,928,181</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Judicial Court Services			
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
EXPENSES	\$ 7,234,554	\$ 9,186,128	\$ 1,301,228	\$ 1,588,291
PROGRAM REVENUES:				
Charges for services	1,977,000	2,168,314	97,234	482,365
Operating grants and contributions	5,680,119	6,332,743	1,230,840	1,099,313
Capital grants and contributions	--	59,878	--	--
Net program (expenses) revenue	422,565	(625,193)	26,846	(6,613)
GENERAL REVENUES:				
Taxes:				
Property	--	--	--	--
Occupancy	--	--	--	--
Grants and contributions not restricted to specific programs	--	672,243	--	6,478
Investment earnings	99,685	13,608	7,084	18,601
Gain (loss) on sale of capital assets	--	--	--	--
Total general revenues	99,685	685,851	7,084	25,079
Change in net assets	522,250	60,658	33,930	18,466
Net assets, beginning	2,862,341	(104,350)	282,869	577,259
Net assets, ending	\$ 3,384,591	\$ (43,692)	\$ 316,799	\$ 595,725

(1) Period ending June 30, 2005

(2) Period ending September 30, 2005

The accompanying notes are an integral part of this statement.

Continued

Judicial Court Services			Coroner	Fire Protection Districts	
Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Total Judicial Court Services	E.B.R. Parish Coroner	St. George Fire Protection District (2)	Brownsfield Fire Protection District
\$ 3,042,960	\$ 13,155,556	\$ 35,508,717	\$ 972,430	\$ 9,189,278	\$ 632,541
2,626,569	11,821,180	19,172,662	163,793	952,738	105,050
724,871	486,806	15,554,692	788,356	503,879	68,734
--	--	59,878	--	--	--
308,480	(847,570)	(721,485)	(20,281)	(7,732,661)	(458,757)
--	--	--	--	7,713,956	339,101
--	--	--	--	--	--
--	258,732	937,453	--	571,132	100,728
11,201	560,390	710,569	--	74,933	--
--	--	--	--	38,106	--
11,201	819,122	1,648,022	--	8,398,127	439,829
319,681	(28,448)	926,537	(20,281)	665,466	(18,928)
(95,097)	9,022,525	12,545,547	89,475	734,743	281,580
\$ 224,584	\$ 8,994,077	\$ 13,472,084	\$ 69,194	\$ 1,400,209	\$ 262,652

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Fire Protection Districts			
	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Pride Fire Protection District
EXPENSES	\$ 1,532,655	\$ 1,097,263	\$ 1,013,288	\$ 93,222
PROGRAM REVENUES:				
Charges for services	344,145	220,470	343,056	40,979
Operating grants and contributions	54,934	--	111,144	--
Capital grants and contributions	--	--	--	--
Net program (expenses) revenue	<u>(1,133,576)</u>	<u>(876,793)</u>	<u>(559,088)</u>	<u>(52,243)</u>
GENERAL REVENUES:				
Taxes:				
Property	1,121,843	721,288	1,138,733	--
Occupancy	--	--	--	--
Grants and contributions not restricted to specific programs	363,067	236,480	39,940	22,727
Investment earnings	57,122	11,267	13,670	2,672
Gain on sale of capital assets	--	--	4,000	1,900
Total general revenues	<u>1,542,032</u>	<u>969,035</u>	<u>1,196,343</u>	<u>27,299</u>
Change in net assets	408,456	92,242	637,255	(24,944)
Net assets, beginning	<u>3,183,245</u>	<u>1,485,285</u>	<u>2,210,588</u>	<u>267,073</u>
Net assets, ending	<u>\$ 3,591,701</u>	<u>\$ 1,577,527</u>	<u>\$ 2,847,843</u>	<u>\$ 242,129</u>

- (1) Period ending June 30, 2005
(2) Period ending September 30, 2005

The accompanying notes are an integral part of this statement.

Fire Protection Districts			Mass Transit			
Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Total Fire Protection Districts	Capital Region Planning Commission (1)	Capital Area Transit System	Total Mass Transit	Total All Component Units
\$ 113,650	\$ 327,126	\$ 13,999,023	\$ 1,140,480	\$ 15,069,152	\$ 16,209,632	\$ 66,689,802
37,238	16,483	2,060,159	143,069	4,270,577	4,413,646	25,810,260
25,391	61,097	825,179	993,284	221,557	1,214,841	18,383,068
--	--	--	--	1,992,635	1,992,635	2,052,513
(51,021)	(249,546)	(11,113,685)	(4,127)	(8,584,383)	(8,588,510)	(20,443,961)
--	201,872	11,236,793	--	--	--	11,236,793
--	--	--	--	937,597	937,597	937,597
35,312	31,529	1,400,915	--	8,380,110	8,380,110	10,718,478
--	4,250	163,914	7,371	3,949	11,320	885,803
--	2,250	46,256	--	(45,480)	(45,480)	776
35,312	239,901	12,847,878	7,371	9,276,176	9,283,547	23,779,447
(15,709)	(9,645)	1,734,193	3,244	691,793	695,037	3,335,486
27,791	436,049	8,626,354	526,651	3,804,668	4,331,319	25,592,695
<u>\$ 12,082</u>	<u>\$ 426,404</u>	<u>\$ 10,360,547</u>	<u>\$ 529,895</u>	<u>\$ 4,496,461</u>	<u>\$ 5,026,356</u>	<u>\$ 28,928,181</u>



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

<u>INDEX</u>	<u>Page Number</u>
Note 1 - Summary of Significant Accounting Policies	62
Note 2 - Stewardship, Compliance, and Accountability	74
Note 3 - Cash, Cash Equivalents, and Investments	75
Note 4 - Property Taxes	84
Note 5 - Federal and State Financial Assistance	85
Note 6 - Capital Assets	87
Note 7 - Employees' Retirement Systems	94
Note 8 - Postemployment Benefits	100
Note 9 - Risk Management	101
Note 10 - Long-Term Debt	103
Note 11 - Interfund and Intergovernmental Receivables and Payables	121
Note 12 - Interfund Transfers	122
Note 13 - Receivables	124
Note 14 - Restricted Net Assets	125
Note 15 - Restricted Assets	125
Note 16 - Passenger Facility Charges - Greater Baton Rouge Airport District	126
Note 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability	127
Note 18 - State Required Disclosures	127
Note 19 - Joint Venture	128
Note 20 - Subsequent Events	129

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

EXHIBIT A - 17

NOTE 1 - Summary of Significant Accounting Policies

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, is both a municipality (home rule charter) and a parish government (political subdivision of the State of Louisiana). The City of Baton Rouge is located wholly within the boundaries of the parish. The parish (approximately 472 square miles) is located in the southeastern portion of the State bordered by the Mississippi River on the west, approximately 80 miles northwest of New Orleans. The City-Parish is governed by a Mayor-President and 12 single-district Metropolitan Council members.

a. Financial Reporting Entity

The Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge serves as the financial reporting entity for both the municipality (City of Baton Rouge) and for the Parish (East Baton Rouge Parish). The financial reporting entity consists of: (1) the primary government (all funds under the auspices of the Mayor-President and the Metropolitan Council), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City-Parish governing authority (Metropolitan Council or Mayor-President) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City-Parish and the potential component unit.
4. Imposition of will by the City-Parish on the potential component unit.
5. Financial benefit/burden relationship between the City-Parish and the potential component unit.

Based on the previous criteria, City-Parish management has included the following component units in the financial reporting entity:

Blended Component Units

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (CPERS), a cost-sharing multiple-employer pension plan is reported as a fiduciary fund in the Basic Financial Statements of the City of Baton Rouge, Parish of East Baton Rouge. The retirement system, a separate legal entity, was created in accordance with The Plan of Government in 1949. This retirement system exists for the sole benefit of current and former (primary government, component units, and related organizations) City-Parish employees who are members of the system. The system is governed by a seven-member board of trustees. Four members of the seven-member board are elected by the employees who participate in the system. The system is funded by the investment of contributions received from the City-Parish primary government, some of the government's component units, and related organizations, and member employees who are obligated to make the contributions to the system based upon actuarial valuations. The City-Parish does not serve as trustee for the retirement system. The fiscal year for CPERS is the calendar year. The separately issued audit report on the retirement system can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units

Capital Area Transit System (CATS) - CATS is a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. Metropolitan Council approval is required for all transportation fare changes and operating subsidies. Operating subsidies are provided through a federal grant and by local matching funds appropriated by the Metropolitan Council. CATS's financial statements for the period ended December 31, 2005, are discretely presented in the basic financial statements.

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish budget process. These officials also have certain statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2005)
Nineteenth Judicial District Court (for the period ended June 30, 2005)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2005)
E.B.R. Parish Coroner (for the period ended December 31, 2005)
E.B.R. Parish Family Court (for the period ended December 31, 2005)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2005)
Nineteenth Judicial District Indigent Defender Board (for the period ended December 31, 2005)

Capital Region Planning Commission - The Capital Region Planning Commission is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City-Parish governing authority. The Metropolitan Council also approves grant budgets and pass-through funding to the Commission. The Commission's financial statements for the year ended June 30, 2005 are included in the discrete component unit columns of the basic financial statements.

Parish Fire Protection Districts - Parish Fire Protection Districts (including St. George Fire Protection District, Brownsfield Fire Protection District, Central Fire Protection District, E.B.R. Parish Fire Protection District No. 6, Eastside Fire Protection District, Pride Fire Protection District, Chaneyville Fire Protection District, and Alsen-St. Irma Lee Fire Protection District) are established pursuant to State Statutes. The Metropolitan Council appoints a majority of the board members of each fire protection district. The Council has the right to approve the fire protection districts' tax rates and charges. Although the City-Parish has issued debt in the past on behalf of one or more of the fire protection districts, each district is legally responsible for the debt it incurs. The fiscal year for all fire protection districts is the calendar year except St. George Fire Protection District whose fiscal year end is September 30, 2005.

Brownsfield Fire Protection District, Chaneyville Fire Protection District, Pride Fire Protection District and Alsen - St. Irma Lee Fire Protection District do not have separately issued audit reports. Fiscal agency services for these legally separate discrete component units are provided by the City-Parish financial management system. Individual fund financial statements for these four Nonmajor component units are included in the Combining and Individual Fund Statements and Schedules section of this report. (see Exhibits G-1 through G-8.)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

Separately issued financial statements of all other City-Parish discretely presented component units can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397 or at the following administrative offices:

District Attorney Doug Moreau
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

Nineteenth Judicial District Court
JoAnn Bruce, Judicial Administrator
222 St. Louis Street, Sixth Floor
Baton Rouge, LA 70802

Capital Region Planning Commission
Don Neisler, Executive Director
333 North 19th Street
P.O. Box 3355
Baton Rouge, LA 70821

Nineteenth Judicial District Indigent
Defender Board
Michael Mitchell
333 St. Louis Street
Baton Rouge, LA 70802

East Baton Rouge Parish Family Court
Ronnie Bullion, Judicial Administrator
222 St. Louis Street, Seventh Floor
Baton Rouge, LA 70802

East Baton Rouge Parish Juvenile Court
Donna Carter, Judicial Administrator
8333 Veterans Memorial Boulevard
Baton Rouge, LA 70807

East Baton Rouge Parish Clerk of Court
Doug Welborn
222 St. Louis Street, First Floor
Baton Rouge, LA 70802

Central Fire Protection District
11646 Sullivan Road
Baton Rouge, LA 70818

East Baton Rouge Parish Coroner
Dr. Shannon Cooper
4030 T.B. Hearndon Avenue
Baton Rouge, LA 70807

St. George Fire Protection District
13686 Perkins Road
Baton Rouge, LA 70810

Capital Area Transit System
Dwight Brashear, General Manager
2250 Florida Boulevard
Baton Rouge, LA 70802

E.B.R. Parish Fire Protection District No. 6
7878 Prescott Road
Baton Rouge, LA 70812

Eastside Fire Protection District
15094 Old Hammond Highway
Baton Rouge, LA 70816-1243

Related Organizations

City-Parish officials are also responsible for appointing members of the boards of other organizations. City-Parish's accountability does not extend beyond making the appointments. The following agencies are related organizations to City-Parish government. Each organization's financial statements can be obtained at their respective administrative offices listed as follows:

Gas Utility Service District
Arlene Norwood, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

East Baton Rouge Housing Authority
Joseph F. Johnson, Executive Director
4546 North Street
Baton Rouge, LA 70806

Baton Rouge Recreation and Park Commission
(BREC)
Mike Proctor, Finance Director
P.O. Box 15887
Baton Rouge, LA 70895

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

The following three agencies are non-profit corporations established pursuant to State Statutes to finance debt for various public purposes within East Baton Rouge Parish. The Metropolitan Council appoints the board members of each respective agency. Each agency is fiscally independent from the City-Parish, issues its debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City-Parish is not obligated in any manner for the debt issues of these agencies. Financial statements for these agencies can be obtained at the following addresses:

Hospital Service District No. 1
Michael Zimmerman, Chief Financial Officer
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

East Baton Rouge Mortgage Finance Authority
Randy J. Bonneau, Chairman
8555 United Plaza Boulevard
Suite 207, Four United Plaza
Baton Rouge, LA 70809-2251

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The City-Parish's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City-Parish has elected not to follow subsequent private-sector guidance.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are payments between the enterprise funds to other various functions of government for charges such as sewer fees and contributions between the primary government and its component units which are reported as external transactions. The government-wide presentation focuses primarily on the sustainability of the City-Parish as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The primary government is reported separately from the legally separate component units as detailed in section (a) of this note.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS:

Emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories. Nonmajor funds (by category) or fund type are summarized into a single column in the basic financial statements.

The daily accounts and operations of the City-Parish are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund, both major and nonmajor, are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and three broad fund categories as follows:

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund -- The General Fund is the general operating fund of the City and Parish. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The two special revenue funds reported as major funds in the fund financial statements are as follows:

The Library Board of Control Fund accounts for the special property tax levy required to fund the operation, maintenance and expansion of the East Baton Rouge Parish Library System.

The Grants Fund accounts for the receipts and disbursements of Federal and State grants.

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. There are no debt service fund major funds.

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) and is reported as a major fund.

Proprietary Funds:

Enterprise Funds -- Enterprise funds are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The two enterprise funds reported as major funds in the fund financial statements are as follows:

The Greater Baton Rouge Airport District Fund accounts for the operation of the Baton Rouge Metropolitan Airport, a commercial and general aviation facility principally financed by air carrier fees and airport related services.

The Comprehensive Sewerage System Fund accounts for the provision of sewer services and sewer treatment services to the residents of the entire parish. All activities necessary to provide such services are accounted

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection of a user fee.

Internal Service Funds -- Two internal service funds are used by the government to account for: (1) financing the replacement of motorized equipment, and (2) to maintain and supply fuel for motorized vehicles and heavy equipment to various departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the principal users of the internal service funds are the City-Parish governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Fiduciary Fund:

Trust Funds -- The City-Parish Employees' Retirement System (CPERS) Pension Trust Fund (a blended component unit) is used to account for the accumulation of contributions for a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees. The pension trust fund is presented in the basic financial statements section. Since by definition these assets are being held for the benefit of employees and cannot be used to address activities or obligations of this government, these funds are not incorporated into the government-wide statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

FUND FINANCIAL STATEMENTS:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The City-Parish definition of available means expected to be received within sixty days of the end of the fiscal year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Nonexchange transactions, in which the City-Parish receives value without directly giving value in return, includes sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, net pension obligation and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds and pension trust funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

The Plan of Government for the City-Parish outlines procedures for adopting a budget for the General, Special Revenue, and Debt Service Funds of the primary government:

The Finance Department compiles for the Mayor-President estimates of revenues and requests for appropriations of the annual budget. No later than November 5, the Mayor-President's budget is submitted to the Metropolitan Council for possible revision and adoption. The Council conducts public hearings on the budget, which must be adopted by December 15, to become effective January 1. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

Budgets for the Capital Projects Fund do not necessarily follow the time schedule for other funds, since capital projects may be started and completed at any time during the year. However, the capital project budget must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end. The General Fund, Library Board of Control, and Grants Fund annual budgets are presented in the basic financial statements. Nonmajor governmental fund budget presentations appear in the Combining and Individual Fund Statements and Schedules. The original budget column on all budget presentations include the adjustments necessary to bring forward appropriations for both unspent projects of a continuing nature and legal encumbrances at the end of the last fiscal year.

Budgets of the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for the following deviations: (1) On the budget basis, encumbrances are considered expendable from current appropriations and are reported as expenditures in order to reserve appropriations. (2) Capital lease

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING (Continued):

payments are recorded as departmental expenditures on the budget basis, while on the GAAP basis they are reported as debt service expenditures. Capital leases, on the GAAP basis, represent acquisitions of general capital assets with the value of the assets reported as departmental expenditures and other financing sources. (3) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding reservation of fund balance.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Reserved for Continuing Projects. Such appropriations for continuing projects carried forward from 2004 to 2005 totaled \$6,020,560 for the General Fund, and \$3,165,912 for the Grants Fund, which are included in the original budget column. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. At year-end, interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

Formal budgetary integration is used for management control in the accounting records during the year for the governmental fund types. The Capital Projects Fund project appropriations are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis.

ENCUMBRANCES:

Encumbrances representing purchase orders, contracts or other commitments are recorded in budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis.

e. Assets, Liabilities, and Fund Equity

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash and cash equivalents for the primary government includes the payroll cash account, cash for insurance, cash for juror and witness fees, cash on hand, petty cash, cash for East Baton Rouge Sewerage Commission, cash for all sinking funds and debt service reserve funds on all City and Parish Public Improvement Sales Tax Revenue Bonds, and each individual fund's share of the consolidated cash account.

A single consolidated bank account has been established in a local bank into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of this consolidation is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings according to its average cash and investments balance, prorated between funds. Cash is transferred from those funds with available cash resources to cover any negative cash balances in other funds at year-end. In addition, an imprest bank account is used for disbursements of payrolls, and separate accounts have been established for the East Baton Rouge Sewerage Commission, and City and Parish Sales Tax Revenue Bonds as required by the bond indentures for related bond issues.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

The investment policies of the City-Parish are governed by State Statutes and bond covenants. Additional details on authorized investments of City-Parish primary government and component unit funds are disclosed in Note 3(b).

Cash, Cash Equivalents and Investments for the Employees' Retirement System are not included in the City-Parish's consolidated bank account. This retirement system is a blended component unit of the City-Parish primary government and operates a separate bank account and controls its own disbursements and investments.

For purposes of the Statement of Cash Flows, cash equivalents for each fund include demand deposit account balances, repurchase agreements, certificates of deposit and U.S. government securities with maturities of three months or less from date purchased.

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. treasury or agency obligations with a maturity of one year or less at time of purchase, which are reported at amortized cost and (2) the Louisiana Asset Management Pool (LAMP) investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Unrealized gains and losses on investments recorded at fair value are included in investment income.

RESTRICTED ASSETS:

Certain bond proceeds and debt service sinking funds of the Comprehensive Sewerage System Enterprise Funds are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Assets since the use of these funds is limited by applicable bond resolutions. In addition, the Greater Baton Rouge Airport District Fund shows a net asset restriction for unappropriated passenger facility charges.

INVENTORIES AND PREPAID ITEMS:

Inventories are stated at cost using the average price method. In the primary government's governmental fund types, inventoried items are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash borrowing between funds bears interest at the prevailing consolidated cash rate of return and is considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Disposal Facility Enterprise Fund. Uncollectible revenues are estimated at approximately 1/2 percent for the sewer user fees with uncollectibles written off on a monthly basis. At December 31, 2005, an uncollectible allowance of 14.38 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for waste disposal fees are historically immaterial and no allowance is recorded.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

CAPITAL ASSETS:

Capital assets, which include land and land improvements, buildings, equipment, noise mitigation costs, and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalization thresholds are defined by the City-Parish in the official accounting policies and procedures as follows:

- Movable capital assets with a cost of \$5,000 or more per unit and a useful life of at least two years.
- Land and land improvements purchased with a minimal value of \$50,000.
- Buildings and building improvements with a value of \$100,000 that extend the useful life of a building.
- Individual purchased infrastructure improvements with a value of \$100,000.
- Donated infrastructure systems with a value of \$500,000.

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

Depreciation on all capital assets, excluding land and improvements, is calculated on the straight-line method over the following estimated useful lives:

<u>Type of Capital Assets</u>	<u>Number of Years</u>
Buildings and Building Improvements	25-40
Runways and Improvements	25
Noise Mitigation Costs	25
Land Improvements-Structure	10
Furniture	10
Machinery and Equipment	5-10
Automobiles	3
Infrastructure	25

All infrastructure assets purchased by the primary government since 1960 are recorded as capital assets and depreciated accordingly. Beginning net assets of governmental activities for the primary government were restated during 2005 for donated infrastructure assets consisting of street and drainage projects accepted into the City-Parish maintenance between the years 1980 through 1990, with recorded applicable accumulated depreciation. The capitalization of these donated infrastructure assets represents the last phase of recording all infrastructure in accordance with GASB 34. All donated infrastructure accepted into the City-Parish's maintenance program since 1991 had previously been capitalized and depreciated in accordance with the above capitalization policy.

The City-Parish capitalizes interest cost (net of interest earned) during the construction phase of major capital projects of proprietary funds in accordance with FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 2005, is disclosed by project in Note 6, Changes in Capital Assets.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

LONG-TERM DEBT:

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts is normally provided by transfers from the General Fund to a debt service fund. However, if the debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

Sales tax revenue bonds are secured by sales tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund. Sales tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

COMPENSATED ABSENCES:

All City-Parish primary government classified and non-classified regular employees earn vacation leave in varying amounts according to the employee's number of years of continuous service up to a maximum of five year's accrual.

All City-Parish primary government classified and non-classified regular employees earn sick leave in varying amounts according to the employee's number of years of continuous service. Sick leave is accumulated without time limitations. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2005, the City-Parish retains approximately 18.9% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

City-Parish employees of certain job classifications may accrue compensatory time in lieu of overtime payment up to 30 days for regular employees and 60 days for public safety employees. Compensatory leave is paid by the City-Parish upon termination, resignation, retirement or death, up to the maximum accrual amounts. City-Parish retains 100% of the compensatory leave liability as of December 31, 2005.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2005, for certain salary-related benefits associated with the payment of compensated absences:

1. The actuarially determined percentage of accrued vacation for each employee valued at the employees' current rate of pay.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

COMPENSATED ABSENCES: (Continued)

2. Using the "termination pay method," the value of the City-Parish's liability for sick leave as of December 31, 2005, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable under GASB Statement No. 16 is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2005, in the governmental fund financial statements.

Details of the compensated absences liability for the City-Parish discrete component units can be found in the separately issued audit reports of each component unit.

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by Section L10 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

The Solid Waste Disposal Facility Enterprise Fund recognizes (based on MSWLF use) that portion of the estimated total current cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. A complete explanation of the liability and its calculation is referenced in Note 17.

RESERVES AND DESIGNATIONS OF EQUITY:

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of equity is legally restricted to a specific future use or is not available for appropriation or expenditure in future years. "Reserved for Continuing Projects" are those portions of incomplete projects where appropriations are carried forward to the following year. "Reserved for Subsequent Year Expenditures" is fund balance that the Metropolitan Council legally appropriated before year-end for use in the 2006 budget. Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. All designations are made for specific indicated purposes included in the title and require a council appropriation in subsequent years.

NET ASSETS:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities, and Fund Equity (Continued)

NET ASSETS (Continued):

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Details of restricted net assets at year-end are presented in Note 14.

The City-Parish adopted *GASB Statement No. 46, Net Assets Restricted by Enabling Legislation* during fiscal 2004. This statement established and clarified requirements related to restrictions of net assets resulting from enabling legislation.

ACCOUNTING ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

f. Restatement of Net Assets

Beginning net assets for the primary government were restated during 2005 for donated infrastructure assets consisting of street and drainage projects accepted into the City-Parish maintenance between the years 1980 through 1990. The net effect of that restatement is as follows:

	Total Net Assets December 31, 2004, As Previously Reported	Adjustment for Prior Years Donated Infrastructure	Total Net Assets December 31, 2004, Restated
<u>Primary Government:</u>			
Governmental activities	<u>\$519,707,218</u>	<u>\$ 5,142,939</u>	<u>\$524,850,157</u>
Business-type activities:			
Comprehensive Sewerage System Fund	<u>\$340,095,639</u>	<u>\$ 3,986,788</u>	<u>\$344,082,427</u>

NOTE 2 - Stewardship, Compliance, and Accountability

a. Expenditures Exceeding Appropriations (Non-GAAP Budgetary Basis)

Excess of expenditures and encumbrances over appropriations in individual major funds or departments within the funds occurred as follows:

	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
General Fund:			
East Baton Rouge Parish Coroner	\$ 742,148	\$ 788,356	\$ (46,208)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 2 - Stewardship, Compliance, and Accountability (Continued)

b. Budgetary - GAAP Reporting Reconciliation

Annual budgets are adopted for the major and the nonmajor governmental funds. Budgetary comparisons presented in this report are on the budgetary basis.

As discussed in Note 1(d) certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments reconciling the excess (deficit) of revenues and other financing sources over (under) expenditures and other uses at year end on the GAAP basis to the budgetary basis are as follows:

	<u>General Fund</u>	<u>Library Board of Control Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>
Net change in fund balances (Budget Basis)	\$20,930,966	\$(8,769,516)	\$(3,643,349)	\$(7,531,717)
Adjustments:				
To adjust for encumbrances	1,407,840	70,607	1,415,113	3,611,443
To adjust for U.S. Housing and Urban Development loans receivable	--	--	305,470	--
Net change in fund balances (GAAP Basis)	<u>\$22,338,806</u>	<u>\$(8,698,909)</u>	<u>\$(1,922,766)</u>	<u>\$(3,920,274)</u>

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is incurred. Therefore, a timing difference exists between budgetary practices and GAAP. In accounting for grant funds, fund balance is not reserved for the grantor portion of encumbrances. Accordingly, grant encumbrances must be added to the reserve for encumbrances in calculating the adjustment necessary to reconcile GAAP basis to budgetary basis. For the Grants Fund, the adjustment for encumbrances is calculated as follows:

Reserve for encumbrances	\$ 329,679
Grant encumbrances	<u>1,085,434</u>
Total encumbrances	<u>\$1,415,113</u>

NOTE 3 - Cash, Cash Equivalents, and Investments

The City-Parish maintains a consolidated cash management pool that is available for use by all funds except the Employees' Retirement System Pension Trust Fund. Each fund type's portion of the consolidated cash pool is displayed on the Statement of Net Assets as "Cash and cash equivalents" or "Investments." The City-Parish primary government and all discretely presented component units adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, during 2004.

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2005, for the City-Parish primary government are summarized as follows:

1. Primary government excluding Employees' Retirement System Pension Trust Fund:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$264,694,000	\$274,028,553

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

a. Deposits - Primary Government (Continued)

1. Primary government excluding Employees' Retirement System Pension Trust Fund (Continued):

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$232,203,509). The remaining carrying amount of \$32,490,491 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2005, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the City-Parish's deposits may not be returned. The City-Parish has a written policy for custodial credit risk.

The carrying amount of deposits does not include a cash on hand balance of \$1,767,877 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Fund:

At December 31, 2005, the carrying amount of the Retirement System's cash was \$6,241,735 and the bank balance was \$6,144,160. The Retirement System's deposits at December 31, 2005, are not exposed to any custodial credit risk.

b. Cash Equivalents and Investments - Primary Government

The City-Parish is authorized by LRS 39:1211-1245 and 33:2955 to invest temporarily idle monies in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 1993, 1997, 1998A, 2001A, 2005B (Taxable) Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the Parish's 1996, 1998B, 1999, 2001B, 2003, 2004, 2005A, and 2005B Public Improvement Sales Tax Revenue Bonds are authorized to be invested in direct obligations of the United States of America, time certificates of deposit secured by direct obligations of the United States of America, and obligations issued or guaranteed by the federal government.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

City-Parish investments for the primary government at December 31, 2005, are itemized as follows:

1. Primary Government excluding Employees' Retirement System Pension Trust Fund:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Amortized Cost/ Fair Value</u>
U.S. Agency Securities	\$ 73,530,438	\$ 74,475,549
State and Local Government Series	1,554,400	1,554,400
Repurchase Agreements	35,766,802	35,766,802
Louisiana Asset Management Pool (LAMP)	<u>152,500,000</u>	<u>152,500,000</u>
Total	<u>\$263,351,640</u>	<u>\$264,296,751</u>

Investment Maturities (in Years)

<u>Investment Type</u>	<u>Less Than 1</u>	<u>1-5</u>
U.S. Agency Securities	\$ 73,530,438	\$ --
State and Local Government Series	969,900	584,500
Repurchase Agreements	<u>35,766,802</u>	<u>--</u>
Total	<u>\$110,267,140</u>	<u>\$ 584,500</u>

As a means of limiting its exposure to fair value losses arising from interest rates, the City-Parish's investment policy limits investments to securities with less than one year from the date of purchase unless the investment is matched to a specific cash flow. The City-Parish may collateralize its repurchase agreements using longer dated investments not to exceed 10 years to maturity. Reserve funds may be invested in securities with maturities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U. S. Agency Securities were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service. U. S. Agency Securities are invested in the Federal Home Loan Mortgage Corporation Securities which is 27.92% of the City-Parish total investments. LAMP has a Standard & Poor's Rating of AAAm.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

1. Primary Government excluding Employees' Retirement System Pension Trust Fund (Continued):

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City-Parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City-Parish's investment policy requires that all repurchase agreement investments be fully collateralized and held by an independent third party in the name of the City-Parish. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form..

Investments with a maturity of less than 90 days are classified on the Statement of Net Assets as "Cash and cash equivalents" (\$152,500,000). The remaining carrying amount of \$110,851,640 is classified on the Statement of Net Assets as "Investments." The difference between carrying amount and amortized cost/fair value of \$945,111 is included in "Receivables - net" on the Statement of Net Assets. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools are stated at amortized cost which is not materially different from fair value. All other investments are shown at fair value.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$152,500,000 invested in LAMP is held by the Parish's Consolidated Cash pool.

2. Employees' Retirement System Pension Trust Fund:

Section 9.15 of The Plan of Government of the Parish of East Baton Rouge and the City of Baton Rouge authorizes the Retirement Board to have custody of, and invest the assets of the Pension Trust. As fiduciaries of the Pension Trust, the Board developed and adopted *The Total Plan Statement of Investment Policies and Objectives*, in which are set forth the guidelines for investing the Retirement System's assets. The document sets forth permissible investments summarized as follows:

Equity Investments -	common stocks, convertible bonds, preferred stocks
Fixed Income Investments -	bonds, mortgages and mortgage-backed securities, asset-backed securities, cash-equivalent securities, money market funds, bank short-term investment funds and short-term extendable portfolio funds, equity real estate (only under specific authorization)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

Additionally, the Retirement System may authorize an agent to participate in securities lending transactions on its behalf. Investment in derivatives and reverse repurchase agreements are not specifically authorized under the Board's investment policy. However, in the case of commingled or mutual accounts, the prospectus of Declaration of Trust takes precedence over the investment policy.

The securities representing equity or fixed income in any one company shall not exceed 5 percent of the cost basis or 7 percent of the fair value of any manager's portfolio. However, the direct debt of the federal government shall not be restricted as a percentage of the portfolio.

No investments in any one organization represent 5 percent or more of the net assets available for pension benefits. There are no investments in loans to, or lease with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2005, final oversight of investments and investment performances for both the original CPERS trust and PGT remains with the Board.

Purchases and sales of investments are recorded on a trade date basis. The Retirement System's Statement of Investment Policies and Objectives prohibits the use of securities that use any form of leverage, or in which interest or principal position is tied to any prohibited type of investment.

CPERS utilizes various investment instruments, which by nature are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Plan Net Assets.

The fair value of the Retirement System's investments as of December 31, 2005 is:

	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 23,158,498
U.S. Agency Notes	5,093,827
Mortgaged Backed Securities	75,418,380
Corporate Bonds	48,855,355
Corporate Bonds Index	135,920,045
Corporate Stock Index	244,815,989
Asset Backed Securities	16,614,328
International Equities	197,098,361
Short-Term Investment Fund	9,069,098
Domestic Equities	188,900,471
Equity Real Estate Fund	<u>48,344,326</u>
Total	<u>\$993,288,678</u>

The fair value of \$984,219,580 is classified on the Statement of Fiduciary Net Assets as "Investments" and "Securities lending collateral." \$9,069,098 is classified on the Statement of Fiduciary Net Assets as "Cash and Cash equivalents."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The following table shows the Retirement System's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2005:

		<u>Investments Maturities (in Years)</u>			
	<u>Fair Value</u>	<u>Less Than One</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
U.S. Treasuries	\$ 23,158,498	\$ —	\$11,764,166	\$ 3,897,385	\$ 7,496,947
U.S. Agencies	5,093,827	—	3,386,557	625,852	1,081,418
Mortgage Backed Securities	75,418,380	14,684,960	420,475	1,075,853	59,237,092
Corporate Bonds	48,855,355	14,318,701	24,811,286	4,448,105	5,277,263
Asset Backed Securities	<u>16,614,328</u>	<u>2,231,311</u>	<u>11,498,354</u>	<u>2,047,502</u>	<u>837,161</u>
Total	<u>\$169,140,388</u>	<u>\$31,234,972</u>	<u>\$51,880,838</u>	<u>\$12,094,697</u>	<u>\$73,929,881</u>

Note: The above schedule does not include the Passive Bond Market Index SL Fund with a December 31, 2005, fair market value of \$135,920,045 and a rating of AA.

The Retirement System requires that debt obligations be investment grade at time of purchase (BBB or higher as rated by Standard & Poor's). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities.

The following table is provided for use in determining the Retirement System's level of exposure to credit risk as of December 31, 2005:

<u>S&P/Moody Rating</u>	<u>Fair Value at 12/31/05</u>
Government	\$ 24,576,818
Agency/AAA	64,717,375
AAA	31,475,188
AA	10,099,054
A	31,118,103
BBB	5,904,470
BB	123,399
NR (Not Rated)	<u>1,125,981</u>
	<u>\$169,140,388</u>

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issue to 7 percent of fair value. At December 31, 2005, the System had exposure of less than 5 percent in any single investment issue.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

b. Cash Equivalents and Investments - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund (Continued):

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At December 31, 2005, the Retirement System's international investments were limited to participation in external investment pools of international equity managers. There were no investments in international fixed-income securities.

Since 2002, the System has authorized JPMorgan/Chase Bank (Formerly Bank One Trust Company, N.A.) To act as agent in lending the System's actively managed securities to approved broker-dealers (borrowers) through a Securities Lending Agreement for Non-ERISA Accounts. The terms of the agreement require the borrowers to deliver collateral against each loan for no less than a.) 102% of the market value of the loaned securities if the loaned securities were not foreign securities, b.) 105% of the market value of the loaned securities if the loaned securities were foreign securities, or c.) Approved letters of credit.

The System did not impose any restrictions during 2005 on the amount of loans that JPMorgan/Chase made on its behalf. In the event of a failure or default on the part of a borrower, the agent contractually agrees to act in the best interest of the System in executing loan collateral on behalf of the System. During 2005 no defaults occurred.

JPMorgan/Chase Bank managed cash collateral received on the securities loaned in a separate collateral account for the System. The income generated from the collateral is allocated among the bank, the borrower, and the System in accordance with the contract. Both the System and the borrowers maintain the right to terminate securities lending transactions. Therefore, the securities loaned did not generally match the duration of the investments made with cash collateral.

At December 31, 2005, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. The collateral held on those dates respectively was valued at \$37,035,574 and the market value of the securities on loan was \$36,101,514. The cash portion of the collateral is reflected in the Statement of Plan Net Assets.

The following table shows the December 31, 2005, fair value of the securities loaned and the fair value of the collateral held, categorized by security type.

<u>Security Type</u>	<u>Fair Value of Securities Loaned at 12/31/2005</u>	<u>Fair Value of Collateral Loaned at 12/31/2005</u>
Equity Short-Term Securities	\$16,669,294	\$17,145,680
Corporate Bond Tri-Party	405,450	425,723
Government Short-Term Securities	15,002,199	15,281,193
Government Letters of Credit	1,427,353	1,455,900
Government Tri-Party	<u>2,597,218</u>	<u>2,727,078</u>
Total	<u>\$36,101,514</u>	<u>\$37,035,574</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

c. Deposits - Discretely Presented Component Units

The discretely presented component unit agencies are required to invest idle funds within the same state statute as the primary government. Component unit deposits (including demand deposit accounts and certificates of deposits) at their respective year ends, are categorized below:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
District Attorney of the Nineteenth Judicial District	\$ 3,120,462	\$ 3,120,462
Nineteenth Judicial District Court	463,400	633,706
E.B.R. Parish Family Court	346,577	353,051
E.B.R. Parish Juvenile Court	583,495	630,277
Nineteenth Judicial District Indigent Defender Board	593,092	629,647
E.B.R. Parish Clerk of Court	4,696,309	4,914,861
E.B.R. Parish Coroner	650	650
St. George Fire Protection District	791,658	675,344
Central Fire Protection District	725,537	766,940
District 6 Fire Protection District	124,665	139,875
Eastside Fire Protection District	98,395	118,830
Pride Fire Protection District	67,663	67,663
Chaneyville Fire Protection District	582	582
Alsen-St. Irma Lee Fire Protection District	38,011	38,011
Capital Region Planning Commission	254,587	315,064
Capital Area Transit System	114,563	336,657
Total Component Units	<u>\$12,019,646</u>	<u>\$12,741,620</u>

The following deposits were exposed to custodial credit risk as explained in section (a) of this note above:
Uninsured and collateral held by pledging bank's trust department not in agency's name:

Nineteenth Judicial District Court	\$ 533,706
E.B.R. Parish Juvenile Court	530,277
Nineteenth Judicial District Indigent Defender	129,647
St. George Fire Protection District	575,344
Central Fire Protection District	666,940
Eastside Fire Protection District	18,830
Capital Area Transit System	133,077
Total	<u>\$2,587,821</u>

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit agency that the fiscal agent has failed to pay deposited funds upon demand.

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$1,219,774). The remaining carrying amount of \$10,799,872 is classified as "Cash and cash equivalents."

The carrying amounts of deposits do not include a cash on hand balance for E.B.R. Parish Juvenile Court (\$300), Clerk of Court (\$2,225), Capital Region Planning Commission (\$220), and Capital Area Transit System (\$3,799) which are not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

d. Investments - Discretely Presented Component Units

Investments for component units include a fair value amount of \$127,706 in mutual funds and time deposits not in a bank held by Capital Region Planning Commission.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

e. Cash, Cash Equivalents and Investments Summary

1. The following is a reconciliation of the carrying amount of deposits and investments to restricted and unrestricted "Cash and cash equivalents" and "Investments" on the Statement of Net Assets.

A. Primary government excluding Employees' Retirement System Pension Trust Fund

Cash and cash equivalents:

Deposits	\$ 32,490,491
Cash on hand	1,767,877
Louisiana Asset Management Pool	<u>152,500,000</u>
Sub-total cash and cash equivalents	<u>186,758,368</u>

Investments:

Deposits	232,203,509
Investments	<u>110,851,640</u>
Sub-total investments	<u>343,055,149</u>

Cash, cash equivalents and investments, December 31, 2005 **\$529,813,517**

Summary of "Cash and cash equivalents" and "Investments" for the Primary Government on the Statement of Net Assets

Current Assets - Cash and cash equivalents	\$180,321,789
Restricted Assets - Cash and cash equivalents	<u>6,436,579</u>
Total cash and cash equivalents	<u>186,758,368</u>
Current Assets - Investments	301,539,854
Restricted Assets - Investments	<u>41,515,295</u>
Total investments	<u>343,055,149</u>
Total cash and cash equivalents and investments	<u>\$529,813,517</u>

B. Component units:

Cash and cash equivalents:

Deposits	\$ 10,799,872
Cash on hand	<u>6,544</u>
Sub-total cash and cash equivalents	<u>10,806,416</u>

Investments

Deposits	1,219,774
Investments	<u>127,706</u>
Sub-total investments	<u>1,347,480</u>

Cash, cash equivalents and investments, December 31, 2005 **\$ 12,153,896**

Summary of "Cash and cash equivalents" and "Investments" for Component Units on the Statement of Net Assets:

Current Assets - Cash and cash equivalents	\$ 10,691,853
Restricted Assets - Cash and cash equivalents	<u>114,563</u>
Total cash and cash equivalents	10,806,416
Current Assets - Investments	<u>1,347,480</u>
Total cash and cash equivalents and investments	<u>\$ 12,153,896</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 3 - Cash, Cash Equivalents, and Investments (Continued)

a. Cash, Cash Equivalents and Investments Summary (Continued)

2. The following is a reconciliation of the carrying amount of deposits and investments to "Cash and cash equivalents" and "Investments" for CPERS pension trust fund on the Statement of Fiduciary Net Assets.

Cash and cash equivalents:	
Deposits	\$ 6,241,735
Investments	<u>9,069,098</u>
Sub-total	15,310,833
Investments	<u>984,219,580</u>
Cash, cash equivalents and investments, December 31, 2005	<u>\$999,530,413</u>

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2004 was a reassessment year.

The Sheriff of East Baton Rouge Parish, as provided by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. December tax collections remitted to the City-Parish by the Sheriff in January are reported as "Due From Other Governments."

The 2005 property tax calendar is as follows:

Levy date	December 8, 2004
Millage rates adopted	December 8, 2004
Tax bills mailed	November 29, 2005
Due date	December 31, 2005
Lien date	January 1, 2006

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

Property taxes are considered measurable each year following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as taxes receivable in the current budgeted year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

At the governmental fund level, property taxes that are measurable and available (receivable within the current period and collected within the current period or within 60 days thereafter to be used to pay liabilities of the current period) are recognized as revenue in the year of levy. Property taxes that are measurable, but not available, are recorded, net of estimated uncollectible amounts, as deferred revenues in the year of levy. Such deferred revenues are recognized as revenue in the fiscal year in which they become available.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 4 - Property Taxes (Continued)

At the entity-wide level, property taxes are recognized in the year of the levy net of uncollectible amounts.

a. Property taxes receivable and estimated uncollectible taxes by fund type for the Primary Government are as follows:

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
General Fund	\$ 3,765,392	\$ 468,414	\$ 3,296,978
Library Board of Control Fund	4,369,186	660,360	3,708,826
Nonmajor Governmental Funds	<u>4,747,983</u>	<u>629,009</u>	<u>4,118,974</u>
Total	<u>\$12,882,561</u>	<u>\$1,757,783</u>	<u>\$11,124,778</u>

b. Property taxes receivable and estimated uncollectible taxes for the Component Units are as follows:

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
St. George Fire Protection District	\$ 328,778	\$262,574	\$ 66,204
Brownsfield Fire Protection District	77,907	17,676	60,231
Central Fire Protection District	471,000	56,775	414,225
E.B.R. Parish Fire Protection District No. 6	160,617	30,141	130,476
Eastside Fire Protection District	254,775	23,372	231,403
Alsen-St. Irma Lee Fire Protection District	<u>44,666</u>	<u>6,277</u>	<u>38,389</u>
Total	<u>\$1,337,743</u>	<u>\$396,815</u>	<u>\$940,928</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governments and Private Developers

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept." The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is recorded in accordance with FASB Statement No. 5, *Accounting for Contingencies*. During 2005, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government:		
Governmental activities:		
Grants Fund	\$52,070,997	\$ -
Capital Projects Fund	2,996,016	-

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

a. Grants From Other Governments and Private Developers (Continued)

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
Primary Government (Continued):		
Business-type activities:		
Greater Baton Rouge Airport District	\$17,512,270	\$ --
Comprehensive Sewerage System Fund	226,276	7,601,592
Nonmajor business-type funds	<u>3,796,768</u>	<u>--</u>
Total primary government	<u>\$76,602,327</u>	<u>\$7,601,592</u>
Component Units:		
District Attorney of the Nineteenth Judicial District	\$ 837,919	\$ --
Nineteenth Judicial District Court	62,968	--
E.B.R. Parish Juvenile Court	59,020	--
St. George Fire Protection District	240,486	--
Brownsfield Fire Protection District	54,334	--
Central Fire Protection District	54,934	--
Eastside Fire Protection District	111,144	--
Chaneyville Fire Protection District	25,391	--
Alsen-St. Irma Lee Fire Protection District	61,097	--
Capital Region Planning Commission	748,030	--
Capital Area Transit System	<u>7,469,092</u>	<u>--</u>
Total component units	<u>\$ 9,724,415</u>	<u>\$ --</u>

During 2005, the City-Parish primary government incurred \$19,904,515 of expenditures related to Hurricanes Katrina and Rita, including costs for staff overtime, usage of City-Parish vehicles and equipment, and housing of evacuees. The government recognized revenues in the amount of \$15,128,882, including \$75,109 in administrative costs from the Federal Emergency Management Agency (that flowed through the Louisiana Department of Military Affairs), and \$800,000 from the American Red Cross. At December 31, 2005, a receivable (Due From Other Governments) and an deferred revenue remains in the Grants Fund in the amount of \$4,050,742.

b. On-Behalf Payments for Salaries and Benefits

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the City-Parish to report and disclose in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to certain groups of City-Parish employees.

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2005, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, judges' salaries and benefits for the three court systems and state supplemental salaries of the parish fire protection district component units.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits (Continued)

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2005 financial statements are as follows:

	<u>State Supplemental Salaries</u>	<u>MERS Contribution</u>	<u>Total 2005 On-Behalf Payments</u>
Primary Government:			
Governmental activities	\$4,525,086	\$614,589	\$5,139,675
Business-type activities	<u>83,630</u>	<u>--</u>	<u>83,630</u>
Total primary government	<u>4,608,716</u>	<u>614,589</u>	<u>5,223,305</u>
Component Units:			
District Attorney of the Nineteenth Judicial District	\$1,522,776	--	\$1,522,776
Nineteenth Judicial District Court	1,879,446	--	1,879,446
E.B.R. Parish Family Court	501,186	--	501,186
E.B.R. Parish Juvenile Court	250,593	--	250,593
St. George Fire Protection District	382,310	--	382,310
Brownsfield Fire Protection District	14,400	--	14,400
Central Fire Protection District	43,500	--	43,500
E.B.R. Parish Fire Protection District No. 6	45,930	--	45,930
Eastside Fire Protection District	<u>7,200</u>	<u>--</u>	<u>7,200</u>
Total component units	<u>4,647,341</u>	<u>--</u>	<u>4,647,341</u>
Total on-behalf payments	<u>\$9,256,057</u>	<u>\$614,589</u>	<u>\$9,870,646</u>

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2005, was as follows:

	<u>Balance 1/1/2005</u>	<u>Increases</u>	<u>Adjustments and Decreases</u>	<u>Balance 12/31/2005</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and right-of-way:	\$ 80,379,755	\$ 1,349,140	\$ --	\$ 81,728,895
Construction work in progress	<u>50,356,534</u>	<u>17,966,010</u>	<u>(16,975,040)</u>	<u>51,347,504</u>
Total capital assets not being depreciated	<u>130,736,289</u>	<u>19,315,150</u>	<u>(16,975,040)</u>	<u>133,076,399</u>
Capital assets being depreciated:				
Buildings	193,579,941	2,192,467	2,854,777	198,627,185
Improvements (other than buildings) and infrastructure	414,526,301	11,626,316	23,537,917	449,690,534
Equipment and equipment under lease	<u>71,863,672</u>	<u>4,974,145</u>	<u>(3,353,488)</u>	<u>73,484,329</u>
Total capital assets being depreciated	<u>679,969,914</u>	<u>18,792,928</u>	<u>23,039,206</u>	<u>721,802,048</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity for the year ended December 31, 2005 (Continued):

	<u>Balance</u> <u>1/1/2005</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Deletions</u>	<u>Balance</u> <u>12/31/2005</u>
Governmental Activities (Continued):				
Less accumulated depreciation for:				
Building	\$(102,698,249)	\$ (5,760,587)	\$ —	\$(108,458,836)
Improvements (other than buildings) and infrastructure	(222,111,900)	(14,578,566)	—	(236,690,466)
Equipment and equipment under lease	<u>(54,321,289)</u>	<u>(7,867,166)</u>	<u>3,280,922</u>	<u>(58,907,533)</u>
Total accumulated depreciation	<u>(379,131,438)</u>	<u>(28,206,319)</u>	<u>3,280,922</u>	<u>(404,056,835)</u>
Total capital assets being depreciated, net	<u>300,838,476</u>	<u>(9,413,391)</u>	<u>26,320,128</u>	<u>317,745,213</u>
Total governmental activities capital assets, net	<u>\$ 431,574,765</u>	<u>\$ 9,901,759</u>	<u>\$ 9,345,088</u>	<u>\$ 450,821,612</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 71,428,998	\$ 42,333	\$ (209)	\$ 71,471,122
Construction work in progress	<u>23,701,262</u>	<u>5,987,540</u>	<u>(10,120,986)</u>	<u>19,567,816</u>
Total capital assets not being depreciated	<u>95,130,260</u>	<u>6,029,873</u>	<u>(10,121,195)</u>	<u>91,038,938</u>
Capital assets being depreciated:				
Buildings	151,730,892	7,133,033	—	158,863,925
Noise mitigation costs	13,927,604	7,704,124	—	21,631,728
Improvements (other than buildings) and infrastructure	736,578,189	27,519,451	11,445,928	775,543,568
Equipment	<u>12,190,081</u>	<u>701,503</u>	<u>(670,035)</u>	<u>12,221,549</u>
Total capital assets being depreciated	<u>914,426,766</u>	<u>43,058,111</u>	<u>10,775,893</u>	<u>968,260,770</u>
Less accumulated depreciation for:				
Buildings	(50,006,663)	(5,812,264)	—	(55,818,927)
Noise mitigation costs	(286,818)	(554,138)	—	(840,956)
Improvements (other than buildings) and infrastructure	(307,225,949)	(28,338,916)	—	(335,564,865)
Equipment	<u>(9,591,656)</u>	<u>(1,145,995)</u>	<u>667,625</u>	<u>(10,070,026)</u>
Total accumulated depreciation	<u>(367,111,086)</u>	<u>(35,851,313)</u>	<u>667,625</u>	<u>(402,294,774)</u>
Total capital assets being depreciated, net	<u>547,315,680</u>	<u>7,206,798</u>	<u>11,443,518</u>	<u>565,965,996</u>
Total business-type activities capital assets, net	<u>\$ 642,445,940</u>	<u>\$ 13,236,671</u>	<u>\$ 1,322,323</u>	<u>\$ 657,004,934</u>

During 2005, beginning net assets were restated for governmental activities donated infrastructure assets consisting of street and drainage projects accepted into the City-Parish maintenance during years 1980 through 1990. A historical cost of \$36.1 million

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity for the year ended December 31, 2005 (Continued):

were capitalized to general capital assets with an accumulated depreciation recorded as of December 31, 2004, of approximately \$30.9 million for a net restatement of \$5.2 million.

During 2005, beginning net assets were restated for the Comprehensive Sewerage System Major Enterprise Fund for street and drainage projects accepted into the City-Parish maintenance system between the years 1980 through 1990. A historical cost of \$28.1 million were capitalized to improvements other than buildings and infrastructure with an accumulated depreciation recorded as of December 31, 2004, of approximately \$24.1 million for a net restatement of \$4.0 million.

b. Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

Governmental fund-types:	
General government	\$ 1,436,187
Public safety	6,336,548
Transportation	14,771,578
Sanitation	19,864
Health and welfare	292,104
Culture and recreation	1,907,013
Conservation and development	640,992
Internal service fund capital assets	
are charged to the various functions based	
on their usage of the assets	<u>2,802,033</u>
Total depreciation expense - governmental activities	<u>\$28,206,319</u>

Business-Type Activities:

Airport	\$ 7,642,277
Sewer	23,778,024
Nonmajor business-type activities	<u>4,431,012</u>
Total depreciation expense - business-type activities	<u>\$35,851,313</u>

c. Construction work in progress for the governmental activities of the primary government is composed of the following:

	<u>Project Authorization</u>	<u>Capitalized to Date</u>	<u>Balance in Construction Work In Progress 12/31/2005</u>	<u>Committed</u>	<u>Estimated Required Future Financing</u>
Capital Projects Fund:					
Miscellaneous Capital					
Improvements	\$ 98,978,798	\$ 58,510,575	\$ 2,059,614	\$ 1,754,201	None
Capital Improvement	75,165,908	65,096,759	1,617,964	814,376	None
Road and Street Improvement					
(Dedicated Sales Tax)	152,431,224	68,000,348	37,229,395	3,630,988	None
LA DOTD Grants Capital Projects	52,850,307	31,365,819	3,489,276	1,022,755	None
Judicial Building Project	2,500,000	—	961,487	—	57,500,000
Downtown Signage/Visitor's					
Amenities Program	1,176,182	—	160,533	218,437	2,300,000
General Capital Expenditures	25,033,718	17,482,683	788,385	2,828,469	None

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

c. Construction work in progress for the governmental activities of the primary government (Continued):

	<u>Project Authorization</u>	<u>Capitalized to Date</u>	<u>Balance in Construction Work In Progress 12/31/2005</u>	<u>Committed</u>	<u>Estimated Required Future Financing</u>
Community Development	\$ 7,014,100	\$ 2,180,883	\$ 2,076,602	\$ 290,802	None
General Government	1,580,629	1,136,672	77,970	--	None
Street Improvements	<u>9,209,569</u>	<u>3,016,672</u>	<u>2,886,278</u>	<u>1,138,288</u>	None
Total	<u>\$425,940,435</u>	<u>\$246,790,411</u>	<u>\$51,347,504</u>	<u>\$11,698,316</u>	

d. Construction work in progress at December 31, 2005, for primary government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/05</u>
Greater Baton Rouge Airport District:				
Miscellaneous project costs	\$ 986,789	\$ 52,065	\$ --	\$ 52,065
Security checkpoint modifications	3,608,104	518,229	--	518,229
Runway and apron improvements	5,695,614	270,232	--	270,232
Noise mitigation projects	<u>526,316</u>	<u>175,582</u>	<u>--</u>	<u>175,582</u>
Total	<u>10,816,823</u>	<u>1,016,108</u>	<u>--</u>	<u>1,016,108</u>
Comprehensive Sewerage System Fund:				
South wastewater treatment plant ballasted flocculation unit	4,438,273	136,127	--	136,127
Central wastewater treatment plant outfall line replacement	4,081,176	2,593,489	2,334,636	258,853
Rehabilitation construction	9,484,059	3,354,588	662,998	2,691,590
Sanitary sewer overflow corrective action plan	143,758,173	29,326,158	14,214,371	15,111,787
Trunkline system	1,665,683	61,847	--	61,847
Telemetry system	1,354,027	217,272	--	217,272
Rehabilitation of pump stations	<u>1,994,189</u>	<u>154,655</u>	<u>82,489</u>	<u>72,166</u>
Total	<u>166,775,580</u>	<u>35,844,136</u>	<u>17,294,494</u>	<u>18,549,642</u>
Nonmajor business-type activities:				
Baton Rouge River Center Fund:				
Miscellaneous building improvements	<u>2,066</u>	<u>2,066</u>	<u>--</u>	<u>2,066</u>
Total-all enterprise funds	<u>\$177,594,469</u>	<u>\$36,862,310</u>	<u>\$17,294,494</u>	<u>\$19,567,816</u>

Total construction period interest costs of \$1,027,381 were capitalized in 2005 in the Comprehensive Sewerage System Fund. Construction period interest costs of \$1,179,544 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2005. These costs cannot be capitalized because they have been allocated to projects that are not substantially complete.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2005, for primary government enterprise funds (Continued):

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act.

The Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2014. The City-Parish selected construction "Alternate 7" to correct the sanitary sewer overflow problem. This alternate will require the City-Parish to institute a \$618 million construction program involving the construction of a large storage basin, deep underground gravity sewers, three ballasted flocculation waste water treatment facilities, storage tanks in outlying areas of the Parish, and rehabilitation of selected areas of the sanitary sewer collection system.

In early 2005 the City-Parish, with the permission of EPA, began studying another construction alternative that will focus on system wide rehabilitation as opposed to deep tunnels and storage. This alternative is in the planning stages and has been reviewed by EPA and the U.S. Department of Justice. They have given tentative approval to a program concept that involves rehabilitation of areas of the sewerage system where there is a large amount of wet weather infiltration and inflow into the system as well as conveyance and pumping capacity upgrades. There is also a provision to review the operations and the infrastructure at the South Wastewater Treatment Plant to determine if it needs to be expanded. The program concept will be finalized in 2006 as part of a modified consent decree between the City-Parish, EPA, the Louisiana Department of Environmental Quality, and the U.S. Department of Justice.

e. A summary of changes in capital assets for component units is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 1,580,229	\$ 162,280	\$ (76,981)	\$ 1,665,528
Less: accumulated depreciation	<u>(1,319,477)</u>			<u>(1,351,762)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 260,752</u>			<u>\$ 313,766</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 861,062	\$ 75,171	\$ (121,990)	\$ 814,243
Less: accumulated depreciation	<u>(631,737)</u>			<u>(648,323)</u>
Total Nineteenth Judicial District Court	<u>\$ 229,325</u>			<u>\$ 165,920</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 304,095	\$ 13,596	\$ --	\$ 317,691
Less: accumulated depreciation	<u>(257,318)</u>			<u>(278,886)</u>
Total E.B.R. Parish Family Court	<u>\$ 46,777</u>			<u>\$ 38,805</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 374,432	\$ 23,186	\$ (27,630)	\$ 369,988
Less: accumulated depreciation	<u>(311,300)</u>			<u>(304,894)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 63,132</u>			<u>\$ 65,094</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. A summary of changes in capital assets for component units (Continued):

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Nineteenth Judicial District</u>				
<u>Indigent Defender Board</u>				
Equipment	\$ 141,165	\$ 38,949	\$ —	\$ 180,114
Less: accumulated depreciation	<u>(103,687)</u>			<u>(117,060)</u>
Total Nineteenth Judicial District Indigent Defender Board	<u>\$ 37,478</u>			<u>\$ 63,054</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 5,984,158	\$1,906,800	\$ —	\$ 7,890,958
Less: accumulated depreciation	<u>(2,674,790)</u>			<u>(3,165,494)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 3,309,368</u>			<u>\$ 4,725,464</u>
<u>E.B.R. Parish Coroner</u>				
Equipment	\$ 189,367	\$ —	\$ —	\$ 189,367
Less: accumulated depreciation	<u>(112,660)</u>			<u>(133,889)</u>
Total E.B.R. Parish Coroner	<u>\$ 76,707</u>			<u>\$ 55,478</u>
<u>St. George Fire Protection District</u>				
Land	\$ 289,531	\$ —	\$ —	\$ 289,531
Buildings	1,332,493	740,664	—	2,073,157
Equipment	3,621,664	1,253,933	(501,648)	4,373,949
Construction work in progress	<u>587,955</u>	<u>166,477</u>	<u>(754,432)</u>	<u>—</u>
Total	5,831,643	2,161,074	(1,256,080)	6,736,637
Less: accumulated depreciation	<u>(2,460,596)</u>			<u>(2,334,341)</u>
Total St. George Fire Protection District	<u>\$ 3,371,047</u>			<u>\$ 4,402,296</u>
<u>Brownsfield Fire Protection District</u>				
Land	\$ 18,592	\$ —	\$ —	\$ 18,592
Buildings	91,523	—	—	91,523
Equipment	<u>313,193</u>	<u>—</u>	<u>—</u>	<u>313,193</u>
Total	423,308	—	—	423,308
Less: accumulated depreciation	<u>(303,523)</u>			<u>(335,728)</u>
Total Brownsfield Fire Protection District	<u>\$ 119,785</u>			<u>\$ 87,580</u>
<u>Central Fire Protection District</u>				
Land	\$ 264,018	\$ —	\$ —	\$ 264,018
Buildings	922,077	950,358	—	1,872,435
Equipment	<u>1,888,237</u>	<u>643,034</u>	<u>(48,465)</u>	<u>2,482,806</u>
Total	3,074,332	1,593,392	(48,465)	4,619,259
Less: accumulated depreciation	<u>(1,352,917)</u>			<u>(1,433,906)</u>
Total Central Fire Protection District	<u>\$ 1,721,415</u>			<u>\$ 3,185,353</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. A summary of changes in capital assets for component units (Continued):

	Balance Beginning of Year	Additions	Adjustments and Deletions	Balance End of Year
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Land	\$ 43,000	\$ --	\$ --	\$ 43,000
Buildings	456,930	36,308	--	493,238
Equipment	637,146	14,427	(5,993)	645,580
Equipment under capital leases	<u>534,526</u>	<u>--</u>	<u>--</u>	<u>534,526</u>
Total	1,671,602	50,735	(5,993)	1,716,344
Less: accumulated depreciation	<u>(813,760)</u>			<u>(879,426)</u>
Total E.B.R. Parish Fire Protection District No. 6	<u>\$ 857,842</u>			<u>\$ 836,918</u>
<u>Eastside Fire Protection District</u>				
Land	\$ 151,360	\$ 23,013	\$ --	\$ 174,373
Buildings	1,522,429	--	--	1,522,429
Equipment	1,257,682	138,623	--	1,396,305
Equipment under capital leases	<u>143,143</u>	<u>--</u>	<u>--</u>	<u>143,143</u>
Total	3,074,614	161,636	--	3,236,250
Less: accumulated depreciation	<u>(969,569)</u>			<u>(1,111,183)</u>
Total Eastside Fire Protection District	<u>\$ 2,105,045</u>			<u>\$ 2,125,067</u>
<u>Pride Fire Protection District</u>				
Land	\$ 15,000	\$ --	\$ --	\$ 15,000
Buildings	135,353	5,500	--	140,853
Equipment	<u>215,946</u>	<u>--</u>	<u>--</u>	<u>215,946</u>
Total	366,299	5,500	--	371,799
Less: accumulated depreciation	<u>(187,470)</u>			<u>(216,694)</u>
Total Pride Fire Protection District	<u>\$ 178,829</u>			<u>\$ 155,105</u>
<u>Chaneyville Fire Protection District</u>				
Buildings	\$ 109,334	\$ --	\$ --	\$ 109,334
Equipment	<u>221,984</u>	<u>--</u>	<u>--</u>	<u>221,984</u>
Total	331,318	--	--	331,318
Less: accumulated depreciation	<u>(310,602)</u>			<u>(320,902)</u>
Total Chaneyville Fire Protection District	<u>\$ 20,716</u>			<u>\$ 10,416</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Land	\$ 9,000	\$ --	\$ --	\$ 9,000
Buildings	256,496	--	--	256,496
Equipment	210,824	162,425	--	373,249
Equipment under capital leases	<u>256,663</u>	<u>--</u>	<u>(162,425)</u>	<u>94,238</u>
Total	732,983	162,425	(162,425)	732,983
Less: accumulated depreciation	<u>(439,803)</u>			<u>(508,959)</u>
Total Alsen-St. Irma Lee Fire Protection District	<u>\$ 293,180</u>			<u>\$ 224,024</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 6 - Capital Assets (Continued)

e. A summary of changes in capital assets for component units (Continued):

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Capital Region Planning Commission</u>				
Equipment	\$ 383,552	\$ 15,870	\$ --	\$ 399,422
Less: accumulated depreciation	<u>(327,132)</u>			<u>(354,792)</u>
Total Capital Region Planning Commission	<u>\$ 56,420</u>			<u>\$ 44,630</u>
<u>Capital Area Transit System</u>				
Equipment	\$ 20,673,872	\$1,514,107	\$(4,198,971)	\$ 17,989,008
Less: accumulated depreciation	<u>(8,165,293)</u>			<u>(5,699,970)</u>
Total Capital Transportation Corporation	<u>\$ 12,508,579</u>			<u>\$ 12,289,038</u>
Total component units capital assets	\$ 45,998,031	<u>\$7,884,721</u>	<u>\$(5,898,535)</u>	\$ 47,984,217
Less: total accumulated depreciation	<u>(20,741,634)</u>			<u>(19,196,209)</u>
Total component units capital assets, net	<u>\$ 25,256,397</u>			<u>\$ 28,788,008</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description and Provisions

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS), a separate legal entity, administers a cost-sharing multiple-employer defined benefit pension plan. The participating local government employers include:

City of Baton Rouge, Parish of East Baton Rouge
District Attorney of the Nineteenth Judicial District
Nineteenth Judicial District Court
E.B.R. Parish Family Court
E.B.R. Parish Juvenile Court
E.B.R. Parish Coroner
St. George Fire Protection District
Brownsfield Fire Protection District
Central Fire Protection District
E.B.R. Parish Fire Protection District No. 6
Eastside Fire Protection District
East Baton Rouge Recreation and Park Commission (BREC) *

*Related Organization under GASB 14

The CPERS Retirement System is reported as a blended component unit of City-Parish as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Fiduciary Fund (pension trust fund) in the basic financial statements of the primary government.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

The Retirement System was created by The Plan of Government and is governed by a seven member Board of Trustees. The board is responsible for administering the assets of the system and for making policy decisions regarding investments. The trustees are members of the Retirement System, except as noted below, and are selected in the following manner: 1) two are elected from non-police and non-fire department employees; 2) one trustee each is elected from the Police and Fire Departments; 3) two people with business and accounting experience are appointed by the Metropolitan Council; 4) one is appointed by the Mayor-President. The two trustees appointed by the Metropolitan Council and the one appointed by the Mayor-President may or may not be members of the Retirement System. This is dependent on whether or not the appointees are City-Parish employees. All administrative expenses of the Retirement System are paid from funds of the system.

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information which includes the regular account and the police guaranty trust account. Both trust accounts are administered by the CPERS Board. The financial report may be obtained by writing to:

Jeffrey R. Yates
Retirement Administrator
Employees' Retirement System
P.O. Box 1471
Baton Rouge, LA 70821-1471

The Retirement System reports its financial activities under the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under GASB Statement No. 25 and GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Any person who becomes a regular full-time employee of the Primary Government, excluding commissioned law enforcement officers and elected City Court Judges, becomes a member of the Retirement System as a condition of employment. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years (Ordinance 10779).

Benefit payments are classified into two distinct categories which are full retirement benefits and minimum eligibility benefits. The service requirements and benefits granted for each category are:

1. Full retirement benefits -
 - a. Granted with 25 years of service, regardless of age.
 - b. Defined as 3% of average compensation times the number of years of service.
2. Minimum eligibility benefits -
 - a. Granted with 20 years of service regardless of age, or at age 55 with 10 years of service.
 - b. Defined as 2.5% of average compensation times the number of years of service.

Average compensation is determined by the highest average compensation in 36 successive months. In the case of interrupted service, the periods immediately before and after the interruption may be joined to produce 36 successive months. Benefits paid to employees shall not exceed 90% of average compensation. Benefits are reduced by 3% for each year below age 55, if service is less than 25 years.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retirement System are prepared using the accrual basis of accounting. Contributions from participating plan employers and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

3. Concentrations of Investments

The Retirement System has no investments in any one organization representing 5% or more of the net assets available for pension benefits except for obligations of the federal government. There are no investments in loans to or leases with parties related to the pension plan. The investment activity of the Retirement System is subject to an investment policy adopted by the Board of Trustees and to oversight by the Board.

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2005, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 16.50% of active payroll. The total employer contributions to CPERS for the primary government and component units for the year ended December 31, 2005, 2004, and 2003 were \$17,482,114, \$14,975,879 and \$12,310,731, respectively. This was equal to the statutorily required contributions. The City-Parish has no net pension obligation with respect to CPERS under GASB Statement No. 27 at December 31, 2005.

5. Police Guarantee Trust

The Police Guarantee Trust, a single-employer defined benefit pension plan, was established as part of CPERS on February 26, 2000, by the City-Parish and the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). As a part of the transfer agreement, each officer signed a "Police Guarantee Agreement" with CPERS whereby each officer receives the same benefit he/she would have received if they had remained with CPERS. The CPERS Board of Trustees established a separate Police Guarantee Trust to administer benefits to the transferred officers. The benefits paid from the trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS. An initial investment of \$24.6 million was moved from the CPERS trust to the Police Guarantee Trust for the future administration of the benefits.

The December 31, 2005, actuarial valuation was conducted using the Aggregate Actuarial Cost Method, which does not identify or separately amortize unfunded actuarial liabilities. Under this method, the excess actuarial present value of projected benefits of the group included in an actuarial valuation over the actuarial value of assets is allocated on a level basis over the earnings or service of the group between the valuation date and assumed exit. This allocation is performed for the group as a whole, not as a sum of individual allocations. That portion of the actuarial present value allocated to a valuation year is called normal cost. The actuarial accrued liability is equal to the actuarial value of assets. The December 31, 2005, actuarial valuation concluded the trust had an actuarial loss of \$728,282, which will increase future normal costs by \$124,607. The allocation was based on earnings of the group. Significant actuarial assumptions include: (1) an investment return of 7.75% compounded annually on plan assets and (2) salary increases of 3.75% compounded annually due to inflation,

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Police Guarantee Trust (Continued)

longevity and merit increases. For the year ended December 31, 2005, the City-Parish made contributions of \$93,973 to the trust, equal to 74% of the annual required contribution. The City-Parish had a net pension asset with respect to the Police Guarantee Trust under GASB Statement No. 27 at December 31, 2005. Because the amount was insignificant, the net pension asset was not recorded in the government-wide financial statements.

6. Municipal Police Employees' Retirement System (MPERS)

The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. Section 6 of this note describes the transfer of 637 public safety officers from CPERS to MPERS, effective February 26, 2000. All new public safety officers hired by the City-Parish after February 26, 2000, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Blvd., Suite 200, Baton Rouge, Louisiana 70809-7601.

Funding Policy

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2005, Plan members contributed 7.5% of earned compensation while employers contributed 21.50% from January through June, and 16.25% from July through December. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contributions to MPERS for the years ended December 31, 2005, 2004, and 2003, were \$5,514,260, \$5,254,962, and \$3,175,100, respectively. This was equal to the statutorily required contributions. The City-Parish had no net pension obligation with respect to MPERS under GASB Statement No. 27 at December 31, 2005.

7. Louisiana State Employees' Retirement System (LASERS)

The City-Parish contributes to the Louisiana State Employees' Retirement System (LASERS) Pension Plan, a cost sharing multiple-employer defined benefit plan administered by the LASERS Board of Trustees. LASERS is a statewide public retirement system for the benefit of state employees. All elected City Court Judges are participating members. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2005, Plan members contributed 11.50% of earned compensation while employers contributed 17.80% from January through June and 19.10% from July through December. The City-Parish's contributions to LASERS for the year ended December 31, 2005, 2004, and 2003 were \$71,700.25, \$55,756.65, and \$50,835.55, respectively. This was equal to the statutorily required contributions. The City-Parish had no net pension obligation with respect to LASERS under GASB Statement No. 27 at December 31, 2005.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units

1. Capital Area Transit System Pension Plan

a. Plan Description

Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local bank under the direction of a Board of Trustees. CATS issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CATS's Pension Trust Fund. CATS has adopted the reporting provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Dwight Brashear, General Manager, 2250 Florida Boulevard, Baton Rouge, LA 70802.

Because CATS issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of GASB Statement No. 25 and No. 27. CATS pension trust fund is not reported in the fiduciary fund statements included as a basic financial statement of the primary government.

b. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of CATS's Pension Trust Fund are prepared using the accrual basis of accounting. Contributions from CATS and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

CATS's Pension Trust Fund investments, consisting of mutual funds, are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The System's annual pension cost and net pension asset for the year ended December 31, 2005, was as follows:

Annual required contribution	\$ 190,796
Interest on net pension asset	(81,795)
Adjustment to annual required contribution	<u>109,459</u>
Annual pension cost	218,460
Contributions made	<u>(367,317)</u>
Increase (decrease) in net pension asset	148,857
Net pension asset beginning of year, restated	<u>1,168,484</u>
Net pension asset end of year	<u>\$1,317,341</u>

Trend Information for the Capital Area Transit System's Pension Trust Fund

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/05	\$218,460	168.1%	\$1,317,341
12/31/04	198,064	187.0	1,168,484
12/31/03	227,665	153.8	983,464

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

2. District Attorney of the Nineteenth Judicial District Defined-Benefit Pension Plans

The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees.

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. There were no employer contributions required for 2005, 2004, or 2003.

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System. Additional information on this system is included in Note 7(a)(1) above.

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System

The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, are members of the Louisiana State Employees' Retirement System ("System"), a cost-sharing, multiple-employer defined-benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Plan members are required by state statute to contribute 7.5% of gross salary to which the Commissioners' office adds 17.8% employer's match. The Commissioners' offices' statutory and actual contributions for the year ending June 30, 2005, 2004, and 2003 were \$63,897, \$52,732, and \$42,996, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund. See section b(5) of this note for disclosure on this multiple-employer cost-sharing PERS. The Nineteenth Judicial District Court was required to contribute 14.5% of annual covered payroll for the year ended June 30, 2005, as compared to 11.5% for the year ended June 30, 2004. The amount of employer contributions to the system for the years ended June 30, 2005, 2004 and 2003, were \$596,476, \$175,609, and \$30,988, respectively, which was equal to the required contributions for each year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

4. Nineteenth Judicial District Indigent Defender Board Pension Plan

The Board established a pension plan in 1992. Substantially all of the employees of the Nineteenth Judicial District Indigent Defender Board are members of this plan. This defined contribution plan is invested in American Funds, a mutual fund account held at A.G. Edwards. Each participant is fully-vested at the time of the contribution and will receive his/her individual fund at the time of retirement. The Board contributes 7.7% of each participant's salary. Contributions during the year ended December 31, 2005, were 100% funded in the amount of \$115,228.

5. East Baton Rouge Parish Clerk of Court Pension Plan

Substantially all employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 15.75%. Contributions to the system also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's Contributions to the System for the years ended June 30, 2005, 2004, and 2003, were \$890,798, \$657,043, and \$534,141, respectively, and were equal to the required contributions for each year.

Effective July 1, 1999, the East Baton Rouge Parish Clerk of Court could elect to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the employees' salary. This election can be changed annually by the Clerk. The East Baton Rouge Parish Clerk of Court elected to implement this policy for the years ended June 30, 2005, 2004, and 2003. The contributions to the System under this election were \$480,903, \$453,770 and \$429,793, respectively.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

NOTE 8 - Postemployment Benefits

City-Parish employees are eligible to continue participation in the government's health, dental and life insurance programs upon retirement.

a. Health and Dental Benefits

All classified and unclassified employees of the City-Parish may at their option participate in the employees' group health and dental self insurance programs. Upon retirement, the employee may continue his coverage paying the same premiums and receiving the same benefits as active employees. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003.

During 2005, the premium plan was funded with employees and retirees contributing 25%-38% of the premium and the City-Parish contributing 62%-75% of the premium, dependent upon the number of family members covered. The employer's portion of retiree health and dental insurance premiums historically have been paid by the General Fund. Effective January 1, 2003, the current costs of these premiums have been allocated over all employers and funds that participate in the health and dental self-insurance programs.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 8 - Postemployment Benefits (Continued)

a. Health and Dental Benefits (Continued)

During 2005, the government recognized expenditures for postretirement health and dental benefits as follows:

	<u>Average Number of Participants</u>	<u>Amount</u>
Health	1,925	\$9,089,862
Dental	1,703	491,223

b. Life Insurance Benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all City-Parish employees who retired after May 1, 1976, have \$3,000 of term life insurance coverage. As of December 31, 2005, approximately 1,977 retirees had the \$3,000 coverage with Prudential Life Insurance Company.

The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account. At December 31, 2005, the balance in the Insurance Continuance Account was \$143,161.

NOTE 9 - Risk Management

a. Types of Risk

The City-Parish is self-insured for unemployment compensation, workers' compensation, general liability, automobile liability, and police liability, including liability for probation officers and constables.

For fire and extended coverage, the City-Parish is self-insured for buildings and contents owned by the City-Parish with a combined value of less than \$1,000,000 and carries an insurance policy for losses with a combined \$1,000,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

b. Accounting for Risk

In accordance with GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and the 2002 *Codification of Governmental Accounting and Financial Reporting Standards* of the Governmental Accounting Standards Board, the City-Parish accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis of accounting.

Claims paid under the City-Parish self-insurance risk program are recorded as expenditures against the General Fund. Annual fees based on reduced market premiums are charged to special revenue funds and proprietary fund types, with corresponding credits to General Fund expenditures. Long-term obligations that are not expected to be liquidated with expendable available financial resources are reported in the Government-wide Statement of Net Assets under governmental activities. In order to provide for a method of paying judgments and claims in a manner to permit reasonably current payments, encourage compromise, reduce or eliminate interest and court costs, and permit budgeting without risk of reducing funds needed for necessary services and programs, the City-Parish Metropolitan Council adopted a compromised judgements "only" policy on November 26, 2002. The policy was designed to minimize the effect of increasing judgements against the City of Baton Rouge and Parish of East Baton Rouge, to balance the claims of each individual against the needs of the public interest and common good of the parish, and to avoid overburdening the local economy and its taxpaying citizens with new or increased taxes that are already needed for essential programs and services.

There were no major changes in outside insurance coverage for the year ended December 31, 2005.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. In accordance with FASB Statement No. 5, *Accounting for Contingencies*, litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated by the Parish Attorney as of the balance sheet date.

The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. FASB No. 5 requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation.

An amount of \$31,745,318 has been recorded as a long-term obligation on the Government-wide Statement of Net Assets for estimated claims and judgments for risk management purposes. Incremental claim costs as required by GASB Statement No. 30, account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

d. Employee Benefits

The City-Parish is self-insured and maintains a premium plan for the group health and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. During 2005, the minimum premium plan was funded with employees and retirees contributing 25%-38% of the premium and the City-Parish contributing 62%-75% of the premium, dependent upon the number of family members covered. The government's share of the health and dental premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "transfers in" to the General Fund and increase Fund Balance Designated for Insurance.

The value of self-insured claims incurred but not reported or paid as of December 31, 2005, for group health and dental are estimated by the government's third party health care provider as follows:

Self-funded medical	\$3,927,834
Self-funded dental	<u>266,308</u>
Total estimate	<u>\$4,194,142</u>

This amount has been included in the Government-wide Statement of Net Assets for December 31, 2005.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2005, 2004, and 2003:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Claims and judgments payable:</u>			
Beginning balance	\$ 29,735,472	\$ 27,065,923	\$ 26,438,012
Additions:			
Claims incurred and new estimates	14,412,866	11,181,294	6,180,271
Deductions:			
Claims paid	(2,346,254)	(4,420,739)	(6,248,739)
Claims dismissed and changes in estimates	<u>(10,056,766)</u>	<u>(4,091,006)</u>	<u>696,379</u>
Ending balance	<u>\$ 31,745,318</u>	<u>\$ 29,735,472</u>	<u>\$ 27,065,923</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 9 - Risk Management (Continued)

e. Changes in Liabilities for Claims (Continued):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Employee benefits payable:</u>			
Beginning balance	\$ 3,937,671	\$ 3,152,288	\$ 4,960,358
Additions:			
Claims incurred	43,437,804	39,778,721	35,434,473
Deductions:			
Claims paid	<u>(43,181,333)</u>	<u>(38,993,338)</u>	<u>(37,242,543)</u>
Ending balance	<u>\$ 4,194,142</u>	<u>\$ 3,937,671</u>	<u>\$ 3,152,288</u>

f. Insurance Designation

The City-Parish maintains a practice of designating a portion of General Fund fund balance for self-insurance purposes. The amount designated for insurance at December 31, 2005, was determined as follows:

Insurance Designation, January 1, 2005	\$27,442,007
Less: Appropriations from Insurance Designation for risk management purposes	(493,399)
Plus: Additional amount designated for insurance by authority of the Budget Ordinance	1,012,902
Interest earned on designated funds during 2005	<u>920,441</u>
Insurance Designation, December 31, 2005	<u>\$28,881,951</u>

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2005:

	<u>Balance</u> <u>1/1/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/05</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Excess revenue contracts, loans and notes	\$ 71,638,555	\$ --	\$ 1,878,500	\$ 69,760,055	\$ 1,934,000
Deferred gain on refunding	881,901	--	35,276	846,625	--
Revenue bonds payable, gross	108,110,000	--	10,895,000	97,215,000	10,245,000
Less: Intragovernment payable	(40,996,047)	--	(5,981,534)	(35,014,513)	(4,629,397)
Compensated absences payable	15,129,888	8,944,020	8,418,334	15,655,574	9,408,247
Obligation under capital leases (Note 10)	81,889	--	53,575	28,314	22,887
Claims and judgments payable (Note 9)	29,735,472	14,412,866	12,403,020	31,745,318	1,455,633
Employee benefits payable (Note 9)	<u>3,937,671</u>	<u>43,437,804</u>	<u>43,181,333</u>	<u>4,194,142</u>	<u>4,194,142</u>
Total governmental activities	<u>\$188,519,329</u>	<u>\$66,794,690</u>	<u>\$70,883,504</u>	<u>\$184,430,515</u>	<u>\$22,630,512</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

1. Summary of Changes in Long-Term Debt (Continued):

	Balance <u>1/1/05</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/05</u>	Due Within <u>One Year</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 11,736,758	\$ 6,828,054	\$ 394,500	\$ 18,170,312	\$ 482,300
Revenue bonds payable	237,607,012	66,784,050	67,635,000	236,756,062	10,610,000
Net deferred amount on refunding and premiums	(1,490,408)	(1,064,681)	(1,075,515)	(1,479,574)	-
Revenue bonds payable from City issues	40,996,047	-	5,981,534	35,014,513	4,629,397
Loans payable	-	450,000	-	450,000	-
Landfill closure and postclosure care liability (Note 17)	12,164,565	1,061,574	-	13,226,139	-
Compensated absences payable	<u>1,295,355</u>	<u>450,523</u>	<u>318,357</u>	<u>1,427,521</u>	<u>1,427,521</u>
Total business-type activities	<u>\$302,309,329</u>	<u>\$74,509,520</u>	<u>\$73,253,876</u>	<u>\$303,564,973</u>	<u>\$17,149,218</u>

Internal service funds serve predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$187,057 of compensated absences for internal service funds is included in the above amount. Also, for the governmental activities, compensated absences, employee benefits payable, and obligation under capital leases are liquidated by the governmental fund in which the liability is incurred. Claims and judgments payable are liquidated by the General Fund.

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2005:

	Interest <u>Dates</u>	Issue <u>Date</u>	Final Maturity <u>Date</u>	Original Authorized and Issued	<u>Outstanding</u>
<u>Governmental Activities:</u>					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/02	01/15/2029	\$ 25,900,000	\$ 23,895,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/02	01/15/2029	47,550,000	44,405,000
Parish of East Baton Rouge:					
LA Community Development Authority (LCDA)					
Advanced Traffic Mgt Bldg	Monthly	08/11/99	05/31/2018	<u>7,643,873</u>	<u>1,460,055</u>
Total excess revenue contracts, loans and notes				<u>81,093,873</u>	<u>69,760,055</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Governmental Activities (Continued):					
<u>Revenue bonds</u>					
City of Baton Rouge:					
1993 Public Improvement Sales Tax	02/01-08/01	10/01/93	08/01/2018	\$ 4,000,000	\$ 2,770,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	5,085,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	65,780,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/01	08/01/2026	23,625,000	21,790,000
Less: debt recorded in business-type activities				(103,245,452)	(35,014,513)
Parish of East Baton Rouge:					
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	<u>4,600,000</u>	<u>1,790,000</u>
Total revenue bonds				<u>42,754,548</u>	<u>62,200,487</u>
Total governmental activities				<u>123,848,421</u>	<u>131,960,542</u>
<u>Business-Type Activities:</u>					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
LCDA loan (Airport) 2001	Monthly	10/04/01	11/30/2029	8,934,865	8,484,665
LCDA loan (Airport) 2004	Monthly	04/08/04	11/30/2029	7,419,147	7,306,147
Parish of East Baton Rouge:					
LCDA loan (Parking) 1999	Monthly	08/11/99	05/31/2018	<u>2,500,000</u>	<u>2,379,500</u>
Total excess revenue contracts, loans and notes				<u>18,854,012</u>	<u>18,170,312</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
2005B Public Improvement Sales Tax (Airport -Taxable)	02/01-08/01	04/19/05	08/01/2029	2,100,000	2,055,000
Revenue bonds payable from City issues				103,245,452	35,014,513
Parish of East Baton Rouge:					
Sewer sales tax revenue bonds:					
1995 Public Improvement Sales Tax	02/01-08/01	08/01/95	02/01/2020	36,000,000	—
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	2,475,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	13,660,000
1999 Public Improvement Sales Tax	02/01-08/01	08/01/99	02/01/2024	43,000,000	4,570,000
2001B Public Improvement Sales Tax	02/01-08/01	08/15/01	02/01/2026	20,000,000	19,765,000
2003 Public Improvement Sales Tax	02/01-08/01	04/01/03	02/01/2020	112,720,000	104,585,000
2004 Public Improvement Sales Tax	02/01-08/01	10/28/04	02/01/2021	24,865,000	24,865,000
2005A Public Improvement Sales Tax	02/01-08/01	05/05/05	02/01/2024	33,255,000	33,255,000
2005B Public Improvement Sales Tax	02/01-08/01	11/03/05	02/01/2014	25,855,000	25,855,000
DEQ 2004-A1 Sewer Revenue Bonds	04/01-10/01	11/12/04	04/01/2026	<u>5,671,062</u>	<u>5,671,062</u>
Total revenue bonds				<u>488,536,514</u>	<u>271,770,575</u>
Total business-type activities				<u>507,390,526</u>	<u>289,940,887</u>
Total all bonds, contracts, loans and notes				<u>\$631,238,947</u>	<u>\$421,901,429</u>
The City-Parish is in compliance with all legal debt covenants at December 31, 2005.					

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)
3. Changes in Bonds Payable

	Outstanding January 1, 2005	Issued	Retired	Outstanding December 31, 2005
Governmental Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2002A Fixed Rate Taxable Refunding	\$ 24,470,000	\$ --	\$ 575,000	\$ 23,895,000
2002B Fixed Rate Taxable Refunding	45,365,000	--	960,000	44,405,000
Parish of East Baton Rouge:				
LCDA Advanced Traffic Mgt Bldg	<u>1,803,555</u>	<u>--</u>	<u>343,500</u>	<u>1,460,055</u>
Total excess revenue contracts, loans and notes	<u>71,638,555</u>	<u>--</u>	<u>1,878,500</u>	<u>69,760,055</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
1993 Public Improvement Sales Tax	2,920,000	--	150,000	2,770,000
1997 Public Improvement Sales Tax	7,310,000	--	2,225,000	5,085,000
1998A Public Improvement Sales Tax	73,240,000	--	7,460,000	65,780,000
2001A Public Improvement Sales Tax	22,305,000	--	515,000	21,790,000
Less: debt recorded in business- type activities	(40,996,047)	--	(5,981,534)	(35,014,513)
Parish of East Baton Rouge:				
1998C Public Improvement Sales Tax	<u>2,335,000</u>	<u>--</u>	<u>545,000</u>	<u>1,790,000</u>
Total revenue bonds	<u>67,113,953</u>	<u>--</u>	<u>4,913,466</u>	<u>62,200,487</u>
Total governmental activities	<u>138,752,508</u>	<u>--</u>	<u>6,791,966</u>	<u>131,960,542</u>
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
LCDA loan (Airport) 2001	8,642,289	14,076	171,700	8,484,665
LCDA loan (Airport) 2004	2,559,226	4,853,721	106,800	7,306,147
Parish of East Baton Rouge:				
LCDA loan (Parking) 1999	<u>535,243</u>	<u>1,960,257</u>	<u>116,000</u>	<u>2,379,500</u>
Total excess revenue contracts, loans and notes	<u>11,736,758</u>	<u>6,828,054</u>	<u>394,500</u>	<u>18,170,312</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Airport -Taxable)	--	2,100,000	45,000	2,055,000
Revenue bonds payable from City issues	40,996,047	--	5,981,534	35,014,513
Parish of East Baton Rouge:				
Sewer sales tax revenue bonds:				
1995 Public Improvement Sales Tax	770,000	--	770,000	--
1996 Public Improvement Sales Tax	30,855,000	--	28,380,000	2,475,000
1998B Public Improvement Sales Tax	14,635,000	--	975,000	13,660,000
1999 Public Improvement Sales Tax	37,740,000	--	33,170,000	4,570,000
2001B Public Improvement Sales Tax	19,855,000	--	90,000	19,765,000
2003 Public Improvement Sales Tax	108,790,000	--	4,205,000	104,585,000
2004 Public Improvement Sales Tax	24,865,000	--	--	24,865,000
2005A Public Improvement Sales Tax	--	33,255,000	--	33,255,000
2005B Public Improvement Sales Tax	--	25,855,000	--	25,855,000
DEQ 2004-A1 Sewer Revenue Bonds	<u>97,012</u>	<u>5,574,050</u>	<u>--</u>	<u>5,671,062</u>
Total revenue bonds	<u>278,603,059</u>	<u>66,784,050</u>	<u>73,616,534</u>	<u>271,770,575</u>
Total business-type activities	<u>290,339,817</u>	<u>73,612,104</u>	<u>74,011,034</u>	<u>289,940,887</u>
Total all bonds, contracts, loans and notes	<u>\$429,092,325</u>	<u>\$73,612,104</u>	<u>\$80,803,000</u>	<u>\$421,901,429</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)
4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2005, and interest requirements to maturity:

	Debt Payable 12/31/2005	Interest Requirements to Maturity	Total
Governmental Activities:			
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding (5.65%)**	\$ 23,895,000	\$ 18,760,637	\$ 42,655,637
2002B Fixed Rate Taxable Refunding (5.73%)**	44,405,000	36,709,162	81,114,162
Parish of East Baton Rouge:			
LCDA Advanced Traffic Mgt Bldg	<u>1,460,055</u>	<u>131,946</u>	<u>1,592,001</u>
Total excess revenue contracts, loans and notes	<u>69,760,055</u>	<u>55,601,745</u>	<u>125,361,800</u>
Revenue bonds			
City of Baton Rouge:			
1993 City Sales Tax (5.13%)*	2,770,000	1,060,720	3,830,720
1997 City Sales Tax (4.79%)*	5,085,000	1,186,987	6,271,987
1998A City Sales Tax (4.43%)**	65,780,000	16,306,413	82,086,413
2001A City Sales Tax (4.85%)**	21,790,000	13,053,930	34,843,930
Less: Debt recorded in business-type activities	(35,014,513)	(10,892,321)	(45,906,834)
Parish of East Baton Rouge:			
1998C Parish Sales Tax (4.11%)**	<u>1,790,000</u>	<u>150,198</u>	<u>1,940,198</u>
Total revenue bonds	<u>62,200,487</u>	<u>20,865,927</u>	<u>83,066,414</u>
Total governmental activities	<u>131,960,542</u>	<u>76,467,672</u>	<u>208,428,214</u>
Business-Type Activities:			
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
LCDA loan (Airport) 2001	8,484,665	5,850,605	14,335,270
LCDA loan (Airport) 2004	7,306,147	5,029,714	12,335,861
Parish of East Baton Rouge:			
LCDA loan (Parking) 1999	<u>2,379,500</u>	<u>752,019</u>	<u>3,131,519</u>
Total excess revenue contracts, loans and notes	<u>18,170,312</u>	<u>11,632,338</u>	<u>29,802,650</u>
Revenue bonds			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Airport -Taxable) (5.65%)**	2,055,000	1,740,506	3,795,506
Revenue bonds payable from City issues	35,014,513	10,892,321	45,906,834
Parish of East Baton Rouge:			
Sewer sales tax revenue bonds:			
1996 Public Improvement Sewer Sales Tax (5.66%)*	2,475,000	99,000	2,574,000
1998B Public Improvement Sewer Sales Tax (4.66%)**	13,660,000	4,000,750	17,660,750
1999 Public Improvement Sewer Sales Tax (5.69%)**	4,570,000	573,936	5,143,936
2001B Public Improvement Sewer Sales Tax (5.02%)**	19,765,000	14,545,225	34,310,225
2003 Public Improvement Sewer Sales Tax (4.04%)**	104,585,000	39,271,375	143,856,375
2004 Public Improvement Sewer Sales Tax (4.35%)**	24,865,000	16,055,869	40,920,869
2005A Public Improvement Sales Tax (4.45%)**	33,255,000	20,649,003	53,904,003
2005B Public Improvement Sales Tax (3.81%)**	25,855,000	6,289,366	32,144,366
DEQ 2004-A1 Sewer Revenue Bonds	<u>5,671,062</u>	<u>2,312,741</u>	<u>7,983,803</u>
Total revenue bonds	<u>271,770,575</u>	<u>116,430,092</u>	<u>388,200,667</u>
Total business-type activities	<u>289,940,887</u>	<u>128,062,430</u>	<u>418,003,317</u>
Total all bonds, contracts, loans and notes	<u>\$421,901,429</u>	<u>\$204,530,102</u>	<u>\$626,431,531</u>

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from net interest cost to true interest cost.

*Net interest cost (NIC) ** True interest cost (TIC)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding, including principal and interest, are as follows:

Governmental Activities:

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total Governmental Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2006	\$ 1,934,000	\$ 3,723,294	\$ 5,657,294	\$ 5,615,603	\$ 2,191,198	\$ 7,806,801	\$ 13,464,095
2007	2,011,000	3,654,925	5,665,925	5,716,214	2,032,335	7,748,549	13,414,474
2008	2,093,000	3,576,799	5,669,799	4,732,249	1,888,889	6,621,138	12,290,937
2009	2,072,055	3,488,856	5,560,911	2,689,609	1,833,003	4,522,612	10,083,523
2010	1,835,000	3,405,555	5,240,555	2,640,305	1,889,464	4,529,769	9,770,324
2011-2015	10,630,000	15,570,872	26,200,872	25,689,841	7,006,610	32,696,451	58,897,323
2016-2020	13,670,000	12,322,233	25,992,233	7,759,999	2,703,795	10,463,794	36,456,027
2021-2025	18,100,000	7,860,840	25,960,840	5,981,667	1,251,883	7,233,550	33,194,390
2026-2030	<u>17,415,000</u>	<u>1,998,371</u>	<u>19,413,371</u>	<u>1,375,000</u>	<u>68,750</u>	<u>1,443,750</u>	<u>20,857,121</u>
Total	<u>\$69,760,055</u>	<u>\$55,601,745</u>	<u>\$125,361,800</u>	<u>\$ 62,200,487</u>	<u>\$ 20,865,927</u>	<u>\$ 83,066,414</u>	<u>\$208,428,214</u>

Business-Type Activities:

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total Business-Type Activities</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2006	\$ 482,300	\$ 851,620	\$ 1,333,920	\$ 15,239,397	\$ 13,444,105	\$ 28,683,502	\$ 30,017,422
2007	503,100	828,478	1,331,578	16,009,381	12,868,793	28,878,174	30,209,752
2008	530,300	804,197	1,334,497	16,913,436	11,977,583	28,891,019	30,225,516
2009	560,200	778,534	1,338,734	17,828,811	10,996,956	28,825,767	30,164,501
2010	592,100	751,464	1,343,564	18,851,122	9,954,179	28,805,301	30,148,865
2011-2015	3,463,400	3,297,960	6,761,360	76,687,561	36,691,651	113,379,212	120,140,572
2016-2020	3,777,400	2,408,320	6,185,720	78,509,105	16,999,369	95,508,474	101,694,194
2021-2025	4,149,700	1,505,595	5,655,295	29,580,513	3,376,076	32,956,589	38,611,884
2026-2030	<u>4,111,812</u>	<u>406,170</u>	<u>4,517,982</u>	<u>2,151,249</u>	<u>121,380</u>	<u>2,272,629</u>	<u>6,790,611</u>
Total	<u>\$18,170,312</u>	<u>\$11,632,338</u>	<u>\$ 29,802,650</u>	<u>\$271,770,575</u>	<u>\$116,430,092</u>	<u>\$388,200,667</u>	<u>\$418,003,317</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2006 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
Governmental Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding	\$ 590,000	\$ 1,270,254	\$ 1,860,254
2002B Fixed Rate Taxable Refunding	985,000	2,393,786	3,378,786
Parish of East Baton Rouge:			
LA Community Development Authority	359,000	59,254	418,254
Total excess revenue contracts, loans and notes	<u>1,934,000</u>	<u>3,723,294</u>	<u>5,657,294</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
1993 City Sales Tax	155,000	136,570	291,570
1997 City Sales Tax	1,160,000	237,850	1,397,850
1998A City Sales Tax	7,800,000	3,413,163	11,213,163
2001 City Sales Tax	555,000	1,043,424	1,598,424
Less: Debt recorded in business-type activities	(4,629,397)	(2,713,532)	(7,342,929)
Parish of East Baton Rouge:			
1998C Public Improvement Sales Tax	575,000	73,723	648,723
Total revenue bonds	<u>5,615,603</u>	<u>2,191,198</u>	<u>7,806,801</u>
Total governmental activities	<u>7,549,603</u>	<u>5,914,492</u>	<u>13,464,095</u>
Business-Type Activities:			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2001 LA Community Development Authority (Airport)	181,900	400,756	582,656
2004 LA Community Development Authority (Airport)	157,900	345,080	502,980
Parish of East Baton Rouge:			
1999 LA Community Development Authority	142,500	105,784	248,284
Total excess revenue contracts, loans and notes	<u>482,300</u>	<u>851,620</u>	<u>1,333,920</u>
<u>Revenue bonds</u>			
City of Baton Rouge			
2005B Public Improvement Sales Tax (Taxable-Airport)	45,000	112,482	157,482
Plus: Revenue bonds payable from City issues	4,629,397	2,713,532	7,342,929
Parish of East Baton Rouge:			
Sewer sales tax revenue bonds:			
1996 Public Improvement Sewer Sales Tax	2,475,000	99,000	2,574,000
1998B Public Improvement Sewer Sales Tax	1,010,000	624,400	1,634,400
1999 Public Improvement Sewer Sales Tax	1,055,000	254,118	1,309,118
2001 Public Improvement Sewer Sales Tax	180,000	992,950	1,172,950
2003 Public Improvement Sewer Sales Tax	5,340,000	4,727,650	10,067,650
2004 Public Improvement Sewer Sales Tax	25,000	1,223,562	1,248,562
2005A Public Improvement Sewer Sales Tax	115,000	1,588,893	1,703,893
2005B Public Improvement Sewer Sales Tax	365,000	911,866	1,276,866
DEQ 2004-A1 Sewer Revenue Bonds	-	195,652	195,652
Total revenue bonds	<u>15,239,397</u>	<u>13,444,105</u>	<u>28,683,502</u>
Total business-type activities	<u>15,721,697</u>	<u>14,295,725</u>	<u>30,017,422</u>
Total all bonds, contracts, loans and notes	<u>\$23,271,300</u>	<u>\$20,210,217</u>	<u>\$43,481,517</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds

Computation of legal debt margin for general obligation bonds payable from ad valorem tax is as follows:

Governing Authority: City of Baton Rouge

Ad valorem taxes:

Assessed valuation, 2005 tax rolls	<u>\$1,324,384,833</u>
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Debt limit: 10% of assessed valuation (for any one purpose)	\$ 132,438,483
-------------------------------------------------------------	-----------------------

Debt limit: 15% of assessed valuation (for sewerage purposes)	198,657,725
---------------------------------------------------------------	--------------------

Debt limit: 35% of assessed valuation (aggregate, all purposes)	463,534,692
-----------------------------------------------------------------	--------------------

There are no outstanding bonds secured by ad valorem taxes of the City of Baton Rouge at this time.

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

Assessed valuation, 2005 tax rolls	<u>\$3,012,031,780</u>
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Debt limit: 10% of assessed valuation (for any one purpose)	\$ 301,203,178
-------------------------------------------------------------	-----------------------

Debt limit: 15% of assessed valuation (for sewerage purposes)	451,804,767
---------------------------------------------------------------	--------------------

There are no outstanding bonds secured by ad valorem taxes of the Parish of East Baton Rouge at this time.

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2005 tax rolls	<u>\$3,012,031,780</u>
------------------------------------	-------------------------------

Debt limit: 15% of assessed valuation (for sewerage purposes)	\$ 451,804,767
---------------------------------------------------------------	-----------------------

There are no outstanding bonds secured by ad valorem taxes of the East Baton Rouge Sewerage Commission at this time.

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for one purpose and 35% for all purposes.

Excess revenue contracts, loans and notes are secured by the general property tax levied for operation of the General Fund. They are payable through excess revenues of the General Fund budget and required approval by the Louisiana State Bond Commission. The debt obligations are issued on the authority of the Metropolitan Council and do not require a referendum from taxpayers.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds

The City of Baton Rouge and the Parish of East Baton Rouge, each levy a two percent sales and use tax on goods and services within their respective taxing districts. Since 1989, both the City of Baton Rouge and the Parish of East Baton Rouge have authorized the issuance of Public Improvement Sales Tax Revenue Bonds secured by this sales tax for the purpose of constructing and improving public facilities, advance refunding outstanding parity bond issues when market rates made it advantageous, providing a debt service reserve for each respective issue, and paying the issuance costs thereof.

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2005, is as follows:

	City	Parish
Actual 2005 Revenues	<u>\$ 88,208,283</u>	<u>\$ 61,459,390</u>
Debt Capacity Before Outstanding Bonds (40%)	35,283,313	24,583,756
Highest Annual Debt Service on Outstanding Bonds	<u>14,658,489</u>	<u>648,723</u>
Debt Capacity	<u>\$ 20,624,824</u>	<u>\$ 23,935,033</u>
Interest factor for \$1 of debt, 6%, 25 years	0.078226718	0.078226718
Additional Bond Capacity (25 Years at 6%)	<u>\$263,654,471</u>	<u>\$305,970,051</u>

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2005, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2005</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge:		
\$ 4,000,000; Series 1993	\$ 2,770,000	Improvements to public buildings and facilities
\$19,325,000; Series 1997	5,085,000	Airport terminal development program and landfill improvements
\$94,450,000; Series 1998A	65,780,000	Advance refunding parity bond issues and improvements to public buildings
\$23,625,000; Series 2001A	21,790,000	Fund local match for the River Center expansion project and refund PFC note
\$ 2,100,000; Series 2005B	<u>2,055,000</u>	Provide capital improvement funds for airport projects
Total	<u>\$97,480,000</u>	
Parish of East Baton Rouge:		
\$4,600,000; Series 1998C	<u>\$ 1,790,000</u>	Advance refunding parity bond issues and improvements to public buildings

All of the above governmental fund type sales tax revenue bonds issued by the City of Baton Rouge and Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the respective entity's two percent sales and use tax. Bonds payable on the 2005B issue is recorded in the Greater Baton Rouge Airport District Enterprise Fund.

9. 1/2% Sewer Sales Tax Revenue Bonds

In April 1988, the general electorate authorized an additional parish-wide one-half percent sales and use tax specifically for sewerage purposes. The Parish of East Baton Rouge is authorized to issue debt secured by this additional one-half percent sewer sales tax for the purpose of constructing sewerage related capital improvements, advance refunding outstanding parity bond issues when market rates make it advantageous, providing a debt service reserve for each respective issue, and paying the issuance costs thereof.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. 1/2% Sewer Sales Tax Revenue Bonds (Continued)

Louisiana Revised Statute 39:698.5 requires that the maturities of the bonds shall be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in any year on all parity bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which bonds are issued. The legal debt calculation as of December 31, 2005, is as follows:

Anticipated revenues based on 2006 annual operating budget	<u>\$33,147,400</u>
Debt Capacity Before Outstanding Bonds (75%)	24,860,550
Highest Annual Debt Service on Outstanding Bonds	<u>20,994,937</u>
Debt Capacity	\$ 3,865,613
Interest factor for \$1 of debt, 6%, 25 year	0.078226718
Additional Bond Capacity (25 Years at 6%)	<u>\$49,415,507</u>

These bonds are accounted for in the Comprehensive Sewerage System Enterprise Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2005, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2005</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Sewer Sales Tax Revenue Bonds:		
\$ 65,000,000; Series ST-1996	\$ 2,475,000	Advance Refunding Parity Bond Issues
\$ 16,825,000; Series 1998B	13,660,000	Advance Refunding Parity Bond Issues
\$ 43,000,000; Series 1999	4,570,000	Sewerage Capital Improvements Program
\$ 20,000,000; Series 2001B	19,765,000	Sewerage Capital Improvements Program
\$112,720,000; Series 2003	104,585,000	Advance Refunding Parity Bonds and Sewer Construction
\$ 24,865,000; Series 2004	24,865,000	Advance Refunding Parity Bonds
\$ 33,255,000; Series 2005A	33,255,000	Advance Refunding Parity Bonds
\$ 25,855,000; Series 2005B	<u>25,855,000</u>	Advance Refunding Parity Bonds
Total	<u>\$229,030,000</u>	

All of the above proprietary fund sales tax revenue bonds issued by the Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the special one-half percent sales and use tax dedicated to sewerage purposes.

10. Obligations of Intragovernmental Agencies

The City and the Parish have issued debt to fund certain enterprise operations on the strength of its general operating 2% sales tax revenues. In turn, the Greater Baton Rouge Airport District and the Comprehensive Sewerage System Fund have signed promissory notes to the General Fund to repay the debt service. The following obligations are recorded in proprietary funds in the government-wide and fund basic financial statements. An adjustment for the outstanding debt is shown as a reduction of governmental activities long-term debt in the government-wide financial statements.

a. Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the Passenger Facility Charge Note of \$5,400,000 to make semi-annual payments to the City General Fund over a twenty-year period. Total principal paid prior to 2005 was \$471,667. In 2005, a principal payment of \$164,166 reduced the obligation payable to \$4,764,167. Scheduled maturities and interest are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. Obligations of Intratovernmental Agencies (Continued)

a. Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 176,250	\$ 222,113	\$ 398,363
2007	191,250	209,748	400,998
2008	206,250	200,209	406,459
2009	223,333	191,959	415,292
2010	241,250	183,026	424,276
2011 and after	<u>3,725,834</u>	<u>1,123,471</u>	<u>4,849,305</u>
Total	<u>\$4,764,167</u>	<u>\$2,130,526</u>	<u>\$6,894,693</u>

b. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987. The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 2005 was \$42,653,878. In 2005, a \$4,095,228 principal payment reduced the obligation payable to \$30,250,346. Scheduled maturities and future interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 4,453,147	\$2,491,419	\$ 6,944,566
2007	4,842,536	2,124,657	6,967,193
2008	5,266,501	1,725,826	6,992,327
2009	5,727,058	1,292,077	7,019,135
2010	6,228,445	820,396	7,048,841
2011 and after	<u>3,732,659</u>	<u>307,420</u>	<u>4,040,079</u>
	<u>\$30,250,346</u>	<u>\$8,761,795</u>	<u>\$39,012,141</u>

11. Louisiana Community Development Authority Loans (LCDA)

Chapter 10-D of Title 33 of the Louisiana Revised Statutes created the Louisiana Community Development Authority for the purpose of assisting political subdivisions of the state. The LCDA issues long-term bonds and then loans the proceeds to local governments for acquiring, financing and constructing certain infrastructure facilities of local government and other economic development projects. The interest rate on the City's and the Parish's LCDA loans fluctuate weekly with changes in the Bond Market Association (BMA) Municipal Swap Index. Principal and interest payments on all loans are paid monthly.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005**

**EXHIBIT A - 17
(Continued)**

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Louisiana Community Development Authority Loans (LCDA) (Continued)

a. 1999 Program:

In 1999, the Metropolitan Council authorized the Parish to execute a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funds for the construction of the Advanced Traffic Management Facility. A total of \$7,643,873 was loaned to the Parish on the original 1999 program. A total of \$6,183,818 has been repaid, leaving an outstanding balance on this loan of \$1,460,055 as of December 31, 2005. Future debt service is budgeted over a 4 year period at 4.57%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide statement of net assets.

In 2004, the Parish borrowed additional funds on the 1999 LCDA program to aide in the construction of a new downtown parking facility. The total authorization of \$2,500,000 has been loaned to the Parish at December 31, 2005. Principal repaid during the year was \$120,500, leaving an outstanding debt balance of \$2,379,500 at year-end. This loan is serviced and recorded in the Greater Baton Rouge Parking Authority Nonmajor Enterprise Fund. Future debt service is budgeted over a 13 year period at 4.57%.

b. 2000A Program:

In 2001, the City applied for a LCDA Loan for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$8,934,865 has been loaned to the City and \$450,200 in principal has been repaid. As of December 31, 2005, the airport enterprise fund shows a direct obligation of \$8,484,665. The loan is being repaid by the Airport's passenger facility charge. Future debt service is budgeted over a 24 year period at 4.77%. The total LCDA authorization for the loan to the Airport is \$9,000,000. Funds are drawn down as the expenses are made on airport projects. Additional loan proceeds are expected to be appropriated and drawn-down during year 2006.

In 2004, the City applied for a LCDA Loan for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$7,419,147 has been loaned to the City and \$113,000 in principal has been repaid. As of December 31, 2005, the airport enterprise fund shows a direct obligation of \$7,306,147. The loan is being repaid from proceeds of the Airport's customer facility charge. Future debt service is budgeted over a 24 year period at 4.77%. The total LCDA authorization for the loan to the Airport is \$11,000,000. Funds are drawn down as the expenses are made on airport projects. Additional loan proceeds are expected to be appropriated and drawn-down during 2006.

12. DEQ Sewer Revenue Bonds

On November 12, 2004, the East Baton Rouge Sewerage Commission authorized the issuance of \$25,000,000 of Sewer Revenue Bonds. The bonds are payable from a pledge of the sewer user fees of the Comprehensive Sewerage System Enterprise Fund. The bonds were issued through a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of construction, improvement, rehabilitation and expansion of the Sanitary Sewer Construction Program. Outstanding principal will carry a 3.45% interest rate and an administrative fee of 0.5% for a total of 3.95%. Funds will be drawn on a reimbursement basis from DEQ over a projected 36 month construction schedule. Interest and principal shall be payable only on the amount drawn from the date reimbursed. At December 31, 2005, principal drawn and outstanding was \$5,671,062.

13. Governmental Funds Taxable Bonds

In 2000, the City of Baton Rouge entered into a merger agreement with the State Municipal Police Employees' Retirement System (MPERS) effective February 26, 2000. The City offered a voluntary transfer to City law enforcement employees that qualified to enter into the State system. The City signed a long-term note with MPERS in the amount of \$72,738,769. The 30 year note amount represented 60% of the initial merger liability for transferred police officer MPERS retirement benefits

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. Governmental Funds Taxable Bonds (Continued)

on February 26, 2000. The note bore interest at 7% per annum. Principal and interest were payable on the first day of each calendar quarter. During 2002, the note was entirely retired by the following two transactions.

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate bonds were converted to a fixed rate in accordance with provisions provided in the original issue on March 6, 2003. The fixed-rate bonds are payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

On October 1, 2002, the City of Baton Rouge issued \$47,550,000 in fixed rate taxable bonds with a true interest cost of 5.73% to refund the remaining two-thirds of the MPERS note. These fixed rate taxable bonds are payable at a net interest cost of 5.73% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

Amortization of Accounting Gain: Prior-Year Refunding-Governmental Activities:

The City recognized an accounting gain of \$987,729 on the above two refundings in 2002, when the reacquisition price was smaller than the carrying amount of the original obligation. In accordance with GASB 23, this gain must be deferred and amortized over the life of the debt on the entity-wide financial statements. During years 2002-2004, \$105,828 of the deferred amount on refunding was amortized. In 2005, \$35,276 of the recognized accounting gain was amortized, resulting in the reporting of an additional \$846,625 in total debt on the entity-wide statement of net assets for governmental activities as of December 31, 2005.

14. 2005 Refundings of 1/2% Sewer Sales Tax Revenue Bonds

a. 2005A Issue:

On May 5, 2005, the Parish issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund the callable portion of the \$43.0 million Series ST-1999 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.69%; principal refunded - \$32,110,000). A portion of the refunding proceeds of the new issue was used to purchase U. S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service on the 1999 issue.

Sources and uses of the refunding issue are summarized as follows:

Sources and Uses of Funds:

Sources:

Principal proceeds	\$33,255,000
Premium	1,754,487
Reserve fund contribution	71,699
Sinking fund contribution	148,089
	<u>\$35,229,275</u>

Uses:

Deposit with escrow agent	\$34,640,259
Issuance costs	376,223
Bond insurance	212,793
	<u>\$35,229,275</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

14. 2005 Refundings of 1/2% Sewer Sales Tax Revenue Bonds (Continued)

a. 2005A Issue (Continued):

Gross Savings on Refunding:

Old debt service cash flows		\$56,129,869
New debt service cash flows	54,283,991	
Plus:		
Contribution from sinking funds	148,089	
Contribution from reserve funds	71,699	<u>54,503,779</u>
Gross savings		<u>\$ 1,626,090</u>

Economic Gain on Refunding:

Present value of old debt service cash flows		\$35,798,215
Present value of new debt service cash flows	34,420,471	
Plus:		
Contribution from sinking funds	148,089	
Contribution from reserve funds	71,699	<u>34,640,259</u>
Economic gain		<u>\$ 1,157,956</u>

As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$2,655,173. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. The bonds were issued at a premium of \$1,754,487. As of December 31, 2005, \$113,857 of the Deferred amount on refunding and \$75,237 of the premium were amortized, resulting in a net Deferred amount on refunding of \$862,065. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

b. 2005B Issue:

On November 3, 2005, the Parish issued \$25,855,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to current refund a portion of the \$65.0 million Series ST-1996 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.66%). The entire principal amount refunded of \$26,100,000 was called on February 1, 2006.

Sources and uses of the current refunding issue are summarized as follows:

Sources and Uses of Funds:

Sources:

Principal proceeds	\$25,855,000
Premium	<u>1,487,924</u>
	<u>\$27,342,924</u>

Uses:

Deposit with escrow agent	\$26,949,654
Issuance costs	298,444
Bond insurance	<u>94,826</u>
	<u>\$27,342,924</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

14. 2005 Refundings of 1/2% Sewer Sales Tax Revenue Bonds (Continued)

b. 2005B Issue (Continued):

Gross Savings on Refunding:

Old debt service cash flows	\$33,513,421
New debt service cash flows	<u>32,144,366</u>
Gross savings	<u>\$ 1,369,055</u>

Economic Gain on Refunding:

Present value of old debt service cash flows	\$28,102,673
Present value of new debt service cash flows	<u>26,949,654</u>
Economic gain	<u>\$ 1,153,019</u>

As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$1,651,919. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. The bonds were issued at a premium of \$1,487,924. As of December 31, 2005, \$61,309 of the Deferred amount on refunding and \$12,272 of the premium were amortized, resulting in a net Deferred amount on refunding of \$114,958. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

15. Prior Year Refundings - Deferred Amount, Business-Type Activities

On November 1, 1998, the Parish issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, to refund and defease in substance the callable portion of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (net interest cost - 6.67%; principal refunded - \$15,690,000, called February 1, 2001). As a result of refunding the callable portion of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991, on November 1, 1998, the City-Parish recognized a Deferred amount on refunding in the amount of \$1,291,440 and a premium of \$67,659. As of December 31, 2005, \$705,399 of the Deferred amount on refunding was amortized (\$98,572 in 2005 and \$606,827 in prior years), and \$36,956 of the premium was amortized (\$5,164 in 2005 and \$31,792 in prior years) resulting in a net Deferred amount on refunding of \$555,338. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

On April 1, 2003, the Parish issued \$112,720,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to refund the: (1) \$30.2M 1993 Public Improvement (Sewer) Sales Tax Revenue Bonds, (net interest cost 5.49%; principal refunded - \$23,405,000); (2) the \$70M 1993(A) Public Improvement Sales Tax Revenue Bonds, (net interest cost 5.13%; principal refunded - \$53,160,000); and, (3) the callable portion of the \$36 million 1995 Public Improvement Sales Tax Revenue Bonds, (net interest cost 5.97%; principal refunded and outstanding at December 31, 2003, - \$33,070,000). Both 1993 issues were called and paid on April 1, 2003. As a result of the refunding, the City-Parish recognized a Deferred amount on refunding of \$5,961,889 and a premium of \$5,864,947. As of December 31, 2005, \$1,563,487 of the Deferred amount on refunding was amortized (\$587,422 in 2005 and \$976,065 in prior years), and \$1,538,061 of the premium was amortized (\$577,870, in 2005 and \$960,191 in prior years) resulting in a net deferred amount on refunding of \$71,516. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

On October 28, 2004, the Parish issued \$24,865,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds to advance refund a portion of the \$65.0 million Series ST-1996 Public Improvement (Sewer) Sales Tax Revenue Bonds (original net interest cost 5.66%; principal refunded - \$24,860,000). As a result of the refunding, the City-Parish recognized a deferred amount on refunding of \$1,702,402 and a premium of \$1,836,519. As of December 31, 2005, \$124,588 of the deferred amount on refunding was amortized (\$100,648 in 2005 and \$23,940 in prior years), and \$134,401 of the premium was amortized (\$108,577 in 2005 and \$25,824 in prior years) resulting in a net deferred amount on refunding of \$(124,304). This is reflected as an addition to bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Bonds of Other Governmental Units

Bonds of the East Baton Rouge Consolidated School District and the City of Zachary are obligations of other governmental units located within the limits of the Parish of East Baton Rouge. These bonds are not included in these financial statements because they are not obligations of this governmental unit.

Bonds of the Recreation and Park Commission and the Hospital Service District No. 1 are obligations of City-Parish related organizations; however, neither the City of Baton Rouge nor East Baton Rouge Parish holds responsibility for the debt of these entities.

East Baton Rouge and other surrounding parishes are situated within the limits of the Greater Baton Rouge Port Commission. Outstanding obligations of the port are secured by a pledge of the full faith and credit of East Baton Rouge Parish and other parishes in the district. However, the Supreme Court of the State of Louisiana has held that the pledge of the full faith and credit of the State comes before the pledges of the credit of the various parishes. Therefore, East Baton Rouge Parish does not have any potential liability with respect to the bonds of the port.

17. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2005.

18. Conduit Debt Obligations

The Parish and Parish Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenues of the projects. The bonds are not a charge upon other income of the Parish or District, nor are they a charge against the credit or taxing power of the District, the Parish of East Baton Rouge, or the City of Baton Rouge. As of December 31, 2005, there were 52 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$223,500,000.

19. Lease Commitments

Capital leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require that assets under capital leases be recorded as capital assets and the lease obligation be recorded as long-term debt in the Government-wide Statement of Net Assets.

The City-Parish has entered into lease agreements (36 month terms) to acquire or obtain the use of machinery equipment, office equipment, and transportation equipment. All equipment leases will expire during the next two years. The amount necessary to reduce net minimum lease payments to present value is calculated by comparing the implicit rate and the incremental rate at the inception of the lease and using the lower of the two rates. The rate used in calculating present value ranges from 2.99% to 4.28%. The lease payments are expected to remain the same throughout the term of the leases. The City-Parish has the option to purchase the equipment at a bargain price at the end of the lease term or in most cases title transfers to the City-Parish at the end of the leases. The lease agreements contain a fiscal funding clause which generally provides for cancellation in the event the Metropolitan Council does not appropriate funds in subsequent years for the lease payments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

19. Lease Commitments (Continued)

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2005:

	<u>Governmental Activities</u>
2006	\$23,407
2007	<u>5,503</u>
Total minimum lease payments	28,910
Less: amount representing interest	<u>(596)</u>
Present value of net minimum lease payments	<u>\$28,314</u>

Asset balances as of December 31, 2005, for equipment under capital lease by major classes are as follows:

<u>Classes of Equipment</u>	<u>Capital Assets Governmental Activities</u>
Office equipment	\$ 47,208
Transportation equipment	<u>111,405</u>
Subtotal	158,613
Less: accumulated depreciation	<u>(114,846)</u>
Total	<u>\$ 43,767</u>

City-Parish operating leases contain one of the following options: (a) the City-Parish may, after the initial lease term expires, purchase the property at the fair value of the property or (b) the term can be extended on a month-to-month basis until either the City-Parish returns the equipment to the Lessor or the Lessor terminates the lease by a ten day written notice. In most cases, leases are renewed or replaced by other leases. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2005 totaled \$222,780. The future minimum rental payments at December 31, 2005, is detailed as follows:

	<u>Governmental Activities</u>
2006	\$ 115,078
2007	67,428
2008	61,027
2009	61,027
2010	61,027
Thereafter	<u>4,246,502</u>
Total future minimum lease payments	<u>\$4,612,089</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt

A summary of the long-term obligations for component units of the City-Parish is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<u>Nineteenth Judicial District Court</u>				
Compensated absences payable	\$ 620,496	\$ —	\$ 55,838	\$ 564,658
<u>E.B.R. Parish Family Court</u>				
Compensated absences payable	64,025	4,558	—	68,583
<u>E.B.R. Parish Juvenile Court</u>				
Compensated absences payable	140,254	7,138	—	147,392
<u>E.B.R. Parish Clerk of Court</u>				
Compensated absences payable	423,526	21,590	—	445,116
<u>E.B.R. Parish Coroner</u>				
Compensated absences payable	1,594	—	—	1,594
<u>St. George Fire Protection District</u>				
Bonds and notes payable	2,282,674	2,650,000	2,804,084	2,128,590
Compensated absences payable	575,074	577,011	484,917	667,168
Obligation under capital leases	—	957,970	321,858	636,112
Total	2,857,748	4,184,981	3,610,859	3,431,870
<u>Brownsfield Fire Protection District</u>				
Compensated absences payable	1,621	4,370	—	5,991
<u>Central Fire Protection District</u>				
Bonds and notes payable	500,000	1,500,000	55,556	1,944,444
Compensated absences payable	85,965	18,552	—	104,517
Obligation under capital leases	—	—	—	—
Total	585,965	1,518,552	55,556	2,048,961
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Compensated absences payable	1,623	—	765	858
Obligation under capital leases	240,778	—	55,040	185,738
Total	242,401	—	55,805	186,596
<u>Eastside Fire Protection District</u>				
Notes payable	400,000	—	100,000	300,000
Compensated absences payable	102,475	63,295	—	165,770
Obligation under capital leases	139,793	—	88,630	51,163
Total	642,268	63,295	188,630	516,933
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Obligation under capital leases	61,856	—	47,998	13,858
<u>Capital Region Planning Commission</u>				
Compensated absences payable	46,963	736	—	47,699

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<u>Capital Area Transit System</u>				
Compensated absences payable	\$ 615,423	\$ 57,678	\$ 96,155	\$ 576,946
Obligation under capital leases	1,214,892	391,091	313,208	1,292,775
Claims and judgements payable	7,917,554	--	523,963	7,393,591
Other long-term payables	320,703	--	44,796	275,907
Total	<u>10,068,572</u>	<u>448,769</u>	<u>978,122</u>	<u>9,539,219</u>
 Total component units long-term debt	 <u>\$15,757,289</u>	 <u>\$6,253,989</u>	 <u>\$4,992,808</u>	 <u>\$17,018,470</u>

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2005, consist of the following:

	Due From Other Funds	Due To Other Funds
<u>Temporary cash advances at December 31, 2005:</u>		
General Fund	\$11,666,777	
Grants Fund		\$ 3,854,822
Nonmajor governmental funds		7,811,955
 <u>Library Board of Control funding new branches in the Capital Projects Fund:</u>		
Capital Projects Fund	<u>35,243,732</u>	
Library Board of Control		<u>35,243,732</u>
 Total Balance Sheet - Governmental Funds	 <u>\$46,910,509</u>	 <u>\$46,910,509</u>

b. Due From Other Governments by governmental agencies for the Primary Government consists of the following at year-end:

	Federal	State	School Board	Sheriff	Other	Total
<u>Governmental Activities:</u>						
General Fund	\$ 1,237	\$ 755,859	\$167,418	\$15,108,345	\$119,136	\$16,151,995
Library Board of Control	--	--	--	18,864,029	--	18,864,029
Grants Fund	3,696,169	10,206,852	--	--	35,756	13,938,777
Capital Projects Fund	--	218,926	--	--	205,055	423,981
Nonmajor governmental funds	39,048	520,112	--	18,823,885	9,898	19,392,943
Adjustments to full accrual basis of accounting	--	925,153	--	1,047,052	--	1,972,205
<u>Business-type Activities:</u>						
Greater Baton Rouge Airport District	2,036,538	212,062	--	--	--	2,248,600
Comprehensive Sewerage System Fund	177,439	--	--	33	--	177,472
Nonmajor enterprise funds	--	303,681	--	--	--	303,681
Totals	<u>\$5,950,431</u>	<u>\$13,142,645</u>	<u>\$167,418</u>	<u>\$53,843,344</u>	<u>\$369,845</u>	<u>\$73,473,683</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 11 - Interfund and Intergovernmental Receivables and Payables (Continued)

- c. Receivable and payable balances at year-end between the Primary Government and Component Units were as follows:

	Due (To)/From Primary Government	Due (To)/From Component Units
<u>Primary Government:</u>		
General Fund	\$ --	\$270,986
General Fund		(10,851)
<u>Component Units:</u>		
Nineteenth Judicial District Indigent Defender Board	10,851	--
Brownsfield Fire Protection District	(251,435)	--
Chaneyville Fire Protection District	(19,551)	--
Total	<u><u>\$(260,135)</u></u>	<u><u>\$260,135</u></u>

NOTE 12 - Interfund Transfers

- a. Interfund transfers for the year ended December 31, 2005 were as follows:

	Transfers Out				Total
	General Fund	Library Board of Control Fund	Capital Projects Fund	Nonmajor Government Funds	
Transfers In:					
General Fund	\$ --	\$ --	\$ --	\$2,152,156	\$ 2,152,156
Grants Fund	216,885	--	--	--	216,885
Capital Projects Fund	6,130,496	15,274,260	--	--	21,404,756
Nonmajor governmental funds	6,432,461	--	--	597,372	7,029,833
Greater Baton Rouge Airport District	1,279,273	--	--	--	1,279,273
Comprehensive Sewerage System	4,000,000	--	--	--	4,000,000
Nonmajor enterprise funds	<u>1,381,930</u>	<u>--</u>	<u>1,510,848</u>	<u>2,629,375</u>	<u>5,522,153</u>
Totals	<u><u>\$19,441,045</u></u>	<u><u>\$15,274,260</u></u>	<u><u>\$1,510,848</u></u>	<u><u>\$5,378,903</u></u>	<u><u>\$41,605,056</u></u>

Major non-recurring transfers in 2005 were as follows:

The Consolidated Garbage Service District nonmajor special revenue fund transferred funds in the amount of \$2,629,375 to the Solid Waste Disposal Facility nonmajor enterprise fund to help purchase new parish-wide automated garbage cans for the new garbage operating contract.

The Library Board of Control Fund transferred \$15,274,260 to the Capital Projects Fund to construct new branch libraries.

The General Fund transferred \$1,279,273 to the Greater Baton Rouge Airport District in a return of a debt service reserve fund on a defeased 1997 City Sales Tax Bond Issue.

The General Fund transferred \$3,359,567 for capital improvements and \$2,770,929 for matching funds on capital grants to the Capital Project Fund during 2005.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 12 - Interfund Transfers (Continued)

- b. The following exchange of funds between the Primary Government and its discretely presented component units during 2005 are classified as external transactions on the Government-wide Statement of Activities:

	Operating Exchanges (To)/From Primary Government	Operating Exchanges (To)/From Component Units
<u>Primary Government:</u>		
General Fund	\$ --	\$(13,083,331)
Nonmajor Special Revenue Fund: Parish Transportation Fund	--	(1,082,230)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	3,353,565	--
Nineteenth Judicial District Court	4,380,265	--
E.B.R. Parish Family Court	729,654	--
E.B.R. Parish Juvenile Court	821,896	--
Nineteenth Judicial District Indigent Defender Board	214,138	--
E.B.R. Parish Clerk of Court	486,806	--
E.B.R. Parish Coroner	788,356	--
Brownsfield Fire Protection District	17,050	--
E.B.R. Parish Fire Protection District No. 6	68,990	--
Eastside Fire Protection District	68,615	--
Pride Fire Protection District	11,701	--
Chaneyville Fire Protection District	24,311	--
Alsen-St. Irma Lee Fire Protection District	25,750	--
Capital Region Planning Commission	49,254	--
Capital Area Transit System	<u>3,125,210</u>	<u>--</u>
Total	<u>\$14,165,561</u>	<u>\$(14,165,561)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 13 - Receivables

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Library Board of Control Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental Activities:							
<u>Receivables:</u>							
Property taxes	\$ 3,765,392	\$4,369,186	\$ --	\$ --	\$4,747,983	\$ --	\$12,882,561
Gross receipts business taxes	7,076,152	--	--	--	--	--	7,076,152
Sales taxes	17,577,569	--	--	2,361,893	1,743,903	--	21,683,365
Interest and penalties on taxes	63,523	--	--	--	--	--	63,523
Accounts	1,638,124	--	68,915	--	1,953,519	--	3,660,558
Accrued interest	358,700	207,212	27,153	425,627	456,425	46,814	1,521,931
Special assessments	40,319	--	--	11,703	--	--	52,022
Other	<u>75,173</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>75,173</u>
Gross receivables	30,594,952	4,576,398	96,068	2,799,223	8,901,830	46,814	47,015,285
Less: allowance for uncollectibles	<u>(468,414)</u>	<u>(660,360)</u>	<u>--</u>	<u>--</u>	<u>(629,009)</u>	<u>--</u>	<u>(1,757,783)</u>
Net receivables-governmental funds	30,126,538	3,916,038	96,068	2,799,223	8,272,821	46,814	45,257,502
Adjustment to full accrual basis of accounting	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>134,028</u>	<u>--</u>	<u>134,028</u>
Net total receivables	<u>\$30,126,538</u>	<u>\$3,916,038</u>	<u>\$96,068</u>	<u>\$2,799,223</u>	<u>\$8,406,849</u>	<u>\$46,814</u>	<u>\$45,391,530</u>

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Nonmajor Enterprise Funds	Total
Business-type Activities:				
<u>Receivables:</u>				
Sales taxes	\$ --	\$ 4,105,792	\$ --	\$ 4,105,792
Accounts	2,074,436	4,680,486	1,241,698	7,996,620
Accrued interest	21,927	1,717,198	124,334	1,863,459
Special assessments	<u>--</u>	<u>106,000</u>	<u>--</u>	<u>106,000</u>
Gross receivables	2,096,363	10,609,476	1,366,032	14,071,871
Less: allowance for uncollectibles	<u>(298,403)</u>	<u>--</u>	<u>--</u>	<u>(298,403)</u>
Net total receivables	<u>\$1,797,960</u>	<u>\$10,609,476</u>	<u>\$1,366,032</u>	<u>\$13,773,468</u>

Summary of receivables reported on the Statement of Net Assets for Business-type activities:

Current assets - receivables	\$12,712,821
Restricted assets - receivables	<u>1,060,647</u>
Totals	<u>\$13,773,468</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 14 - Restricted Net Assets

Details of restricted net assets as reported in the entity-wide Statement of Net Assets are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net Assets Restricted For:			
Capital projects:			
Bond funds from city sales tax issues	\$ 973,030	\$ --	\$ 973,030
Federal and state capital grant funds	7,457,360	--	7,457,360
Dedicated sales tax for street construction	52,071,507	--	52,071,507
Dedicated hotel-motel taxes for River Center construction	--	558,705	558,705
Dedicated court fees for judicial complex	3,285,616	--	3,285,616
Total net assets restricted for capital projects	<u>63,787,513</u>	<u>558,705</u>	<u>64,346,218</u>
Debt service:			
2% City sales tax revenue bonds	18,379,167	--	18,379,167
2% Parish sales tax revenue bonds	699,583	--	699,583
State and local government securities	1,554,470	--	1,554,470
¼% Sewer parish sales tax revenue bonds	--	31,224,690	31,224,690
Total net assets restricted for debt service	<u>20,633,220</u>	<u>31,224,690</u>	<u>51,857,910</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	--	1,634,365	1,634,365
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	32,979,514	--	32,979,514
Dedicated sales tax for street maintenance	7,506,229	--	7,506,229
State road funds dedicated for transportation	5,651,192	--	5,651,192
Telephone surcharge dedicated to communications district	3,190,215	--	3,190,215
Grant funds restricted to specific programs	4,095,231	--	4,095,231
Total net assets restricted for external legal constraints	<u>53,422,381</u>	<u>--</u>	<u>53,422,381</u>
Total Restricted Net Assets	<u>\$137,843,114</u>	<u>\$33,417,760</u>	<u>\$171,260,874</u>

NOTE 15 - Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>Greater Baton Rouge Airport District</u>	<u>Comprehensive Sewerage System</u>	<u>Other Enterprise Total</u>	<u>Total</u>
Sales tax revenue bonds construction accounts	\$ --	\$23,027,657	\$ --	\$23,027,657
Hotel-motel tax construction accounts	--	--	2,472,317	2,472,317
Passenger Facility Charges (PFC) account	1,304,480	--	--	1,304,480
Sales tax revenue bonds debt service accounts	--	21,147,420	--	21,147,420
Accounts receivable - PFC	429,209	--	--	429,209
Accrued interest receivable - sales tax revenue bonds	--	617,207	--	617,207
Accrued interest receivable - PFC	7,048	--	--	7,048
Accrued interest receivable - hotel-motel tax	--	--	7,183	7,183
Total restricted assets	<u>\$1,740,737</u>	<u>\$44,792,284</u>	<u>\$2,479,500</u>	<u>\$49,012,521</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

FAA regulations require that PFC revenues be recognized and recorded as non-operating revenues in the year the fees are remitted by the air carriers (not when the funds are spent). This provision requires that airports accrue PFC revenues at fiscal year-end. FAA regulations also require certain financial statement disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets. On the Statement of Revenues, Expenses, and Changes in Fund Net Assets, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. The FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

<u>Application Number and Description</u>	<u>Approved PFC Level</u>	<u>Total FAA Authorization</u>	<u>Total Disbursed through 12/31/2005</u>
2 Noise mitigation	\$3.00	\$ 1,718,761	\$ 1,315,124
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899
4 Terminal development with financing	3.00	37,570,400	10,927,686
5 Airport access road	3.00	3,111,678	937,675
5 Acquire A/C loading bridges	3.00	1,251,894	80,739
6 Runway 4L/22R extension project	4.50	8,969,118	--
6 Professional Fees-administration of PFC	4.50	434,000	--
6 General Aviation Apron Facility Expansion	4.50	<u>582,982</u>	<u>--</u>
Total Approved Applications		<u>\$54,929,732</u>	<u>\$14,552,123</u>

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2005 fiscal year resulting in a restriction of net assets from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2005), net of administrative fee	\$ 15,239,715	\$ 14,810,506
Interest earnings	<u>1,053,145</u>	<u>1,046,097</u>
Total revenues	<u>16,292,860</u>	<u>15,856,603</u>
Cumulative disbursements for PFC projects (1992 - 2005)	(8,222,428)	(8,162,925)
Cumulative bond principal payments	(3,568,033)	(3,568,033)
Cumulative bond interest payments	<u>(2,868,034)</u>	<u>(2,821,165)</u>
Total disbursements	<u>(14,658,495)</u>	<u>(14,552,123)</u>
Net PFC cash, December 31, 2005		<u>\$ 1,304,480</u>
Net assets restricted for PFC, December 31, 2005	<u>\$ 1,634,365</u>	

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 17 - Solid Waste Disposal Facility Closure And Postclosure Care Liability

The 1994 fiscal year was the first full year of operation for the new North Landfill, which opened when the old landfill, Devil's Swamp, was closed on October 8, 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB Statement No. 18 states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The current estimated cost of closure and postclosure care costs for the Solid Waste Disposal Facility, as prepared by an outside engineering firm, is \$19,155,550. Based on calculations made by the Department of Public Works, the total estimated capacity was changed in 2002 from 33,400,000 cubic yards to 28,628,570 cubic yards with a projected useful life of 42 years. The previous projected useful life was 49 years. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effects of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Disposal Facility Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards used during the period rather than on the passage of time. As of December 31, 2005, the liability for closure and postclosure care totals \$13,226,139. The liability is based on the landfill capacity used to date of 19,766,878 cubic yards or 69.0% of the landfill capacity. The liability will be financed by the Solid Waste Disposal Facility Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$5,929,411 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2005, is 31 years.

During 2004, the City-Parish acquired an additional 617 acre tract of land adjacent to the landfill facility. Public Works engineers expect that the additional land may extend the useful life of the facility once federal and state approvals have been obtained.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$300 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) The following is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2005.

District 1	Wayne Carter	\$13,200
District 2	Ulysses Z. Addison, Jr.	13,200
District 3	Pat Culbertson	13,200
District 4	Joseph "Joe" Greco	13,200
District 5	Charles Kelly	13,200

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 18 - State Required Disclosures (Continued)

a. Council Members Compensation (Continued)

District 6	Martha J. Tassin	\$13,200
District 7	Byron Sharper	13,200
District 8	J. Michael "Mike" Walker	13,200
District 9	Darrell P. Ourso	13,200
District 10	Lorri Burgess	
	Council	13,200
	President Pro-Tempore	346
District 11	David J. Boneno	13,200
District 12	James T. "Jim" Benham	254
	Milton "Mickey" Skyring	12,946

b. Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. Since the enactment of the fee, the Communications District Special Revenue Fund has collected and spent the following funds on enhancements to the wireless E911 system:

	<u>Revenues</u>	<u>Expenditures</u>
2000	\$ 399,863	\$ --
2001	943,927	85,368
2002	1,589,905	128,632
2003	1,084,224	297,143
2004	1,355,746	183,381
2005	<u>1,461,483</u>	<u>217,933</u>
Total To Date	<u>\$6,835,148</u>	<u>\$912,457</u>

Phase II upgrades to the area within the Cities of Baker and Zachary are complete and the system has been fully implemented.

NOTE 19 - Joint Venture

During 2003, the City-Parish entered into a joint venture with the State of Louisiana and Office Facilities Corporation (OFC) for the purpose of constructing a 468-space parking garage located at the corner of Convention Street and Third Street in the downtown area. Under the agreement, the City-Parish contributed funds, financed from the proceeds of an LCDA loan, for construction of the state-owned and operated facility. In return, the City-Parish is entitled to certain revenues generated from parking fees, which is applied to the City-Parish's proportionate share (35.9%) of operating expenses. The City receives 100% of monthly revenues, up to the City's related monthly expenses, and its proportionate share (35.9%) of any remaining revenues. Construction was complete and the facility began operations in July 2005.

A management committee composed of four persons shall have the responsibility and authority for overall management of the parking garage. The Management Committee shall be composed of the Director of Facility and Planning Control of the Division of Administration of the State, the Director of Public Works of the City-Parish, one person appointed by the Commissioner of Administration of the State, and one person appointed by the Mayor of the City-Parish. The City's equity interest of \$2,473,958 is recorded as Investment in Joint Venture in the Greater Baton Rouge Parking Authority Enterprise

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

EXHIBIT A - 17
(Continued)

NOTE 19 - Joint Venture (Continued)

Fund. The City's Parking Fund has reflected a net loss from joint venture of \$29,517 for 2005 and paid principal of \$116,000 and interest of \$82,347 in 2005 on the LCDA loan used to finance the City-Parish's contribution. The Third Street Parking Garage is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City.

OFC maintains the parking garage for the State. OFC is a blended component unit of the State and is reported as an internal service fund in the State's CAFR.

NOTE 20 - Subsequent Events

On May 3, 2006, the Parish of East Baton Rouge issued \$125,000,000 Road and Street Improvement Sales Tax Revenue Bonds in two sub-series. The Series 2006A (Fixed Rate) Bonds in the amount of \$32,760,000, will mature serially on August 1 of each year through 2015 with interest from 3.75 - 5.00 percent. The Series 2006B (Variable Rate) Bonds in the amount of \$92,240,000, initially will bear interest at a weekly interest rate. The 2006B Bonds mature August 1, 2030, and shall be redeemed in part on August 1 in each year commencing August 1, 2016. In order to hedge its exposure to variable interest rates, the Parish entered into separate but substantially identical Swap Agreements relating to the Series 2006B Bonds with Citibank, N.A., New York and Merrill Lynch Capital Services, Inc. (collectively, the "Swap Counterparties"). The Swap Agreements will be dated as of the date of issuance of the Series 2006B Bonds and will provide for the payment of a synthetic fixed rate with respect to the Series 2006B Bonds. Under the terms of the Swap Agreements, in general, the Parish will pay a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA, in each case based on an aggregate notional amount equal to the principal amount of the 2006B Bonds outstanding.



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

Juror Compensation Fund accounts for District Court Cost fees collected from certain criminal defendants for payments to jurors.

City Constable Court Costs Fund accounts for City Court cost fees collected from serving the execution of civil papers, garnishment fees and assessments required to maintain the City Constable's office.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

City Court Judicial Building Fund accounts for the City Court filing fee imposed on all civil matters and dedicated to the acquisition, leasing, construction, equipping, and maintenance of new and existing City Courts.

Animal Control Center Fund accounts for monies collected from services rendered in licensing and leashing of small animals.

Federal Forfeited Property Fund accounts for the cash proceeds received from federal seizures and forfeitures, as well as any interest earned on these funds, according to accounting guidelines of the U.S. Attorney General's Office.

East Baton Rouge Parish Communications District accounts for monies collected to provide citizens of East Baton Rouge Parish with Enhanced 911, a computer aided telephone dispatch system that processes incoming requests for emergency assistance, and provides instructions in first aid to the caller.

Emergency Medical Services Fund accounts for the special property tax levy required to maintain emergency medical services in East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Parish Street Maintenance Fund accounts for the portion (40%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

Consolidated Garbage Service District No. 1 accounts for the special property tax levy required to maintain waste collection and disposal services for the parish rural area.

Debt Service Funds

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1992, 1992A, 1993, 1997, 1998A and 2001A Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Parish Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1998C Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

State and Local Government Securities Debt Service Fund accounts for the portion of the 1997 City Sales Tax Revenue Bonds which were previously being paid from the 1997 Passenger Facility Charge Intergovernmental Obligation from the Greater Baton Rouge Airport District to the General Fund. The proceeds reserved for refunding of the 1997 note were placed in State and Local Government Series securities (SLGS), where they will be used to service the original 1997 City Bonds.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds and the 2002B Fixed Rate Taxable Refunding Bonds.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	Special Revenue			
	Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
ASSETS				
Cash and cash equivalents	\$ 45,298	\$ 19,056	\$ --	\$ 5,500
Investments	--	--	--	--
Property taxes receivable-net	--	--	457,556	57,116
Sales taxes receivable	--	--	--	--
Accounts receivable	--	--	5,243	--
Accrued interest receivable	370	--	--	--
Due from other governments	9,899	--	2,327,217	279,010
Total assets	\$ 55,567	\$ 19,056	\$ 2,790,016	\$ 341,626
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ --	\$ 10,711	\$ 133,829	\$ 3,352
Due to other funds	--	4,825	1,252,195	305,038
Due to other governments	--	--	--	--
Accrued salaries payable	--	3,520	26,843	6,981
Deferred revenue	--	--	119,741	24,229
Total liabilities	--	19,056	1,532,608	339,600
Fund balances:				
Reserved for:				
Encumbrances	--	--	52,182	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Subsequent year expenditures	--	--	--	--
Continuing projects	--	--	--	--
Unreserved:				
Undesignated	55,567	--	1,205,226	2,026
Total fund balances	55,567	--	1,257,408	2,026
Total liabilities and fund balances	\$ 55,567	\$ 19,056	\$ 2,790,016	\$ 341,626

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Gaming Enforcement Division	City Court Judicial Building	Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services
\$ 11,982	\$ 9,320	\$ 124,881	\$ 507,180	\$ 3,159,524	\$ 2,321,507
--	--	--	--	--	4,311,369
--	--	--	--	--	1,164,356
--	--	--	--	--	--
--	9,260	--	--	354,402	1,020,125
32	15	791	2,753	16,077	39,776
--	--	--	39,047	--	5,921,955
<u>\$ 12,014</u>	<u>\$ 18,595</u>	<u>\$ 125,672</u>	<u>\$ 548,980</u>	<u>\$ 3,530,003</u>	<u>\$ 14,779,088</u>
\$ 1,041	\$ --	\$ 16,191	\$ 849	\$ 180,917	\$ 128,495
--	--	--	--	--	--
--	--	--	--	--	--
1,045	--	12,802	--	40,496	236,325
--	--	--	--	--	304,713
<u>2,086</u>	<u>--</u>	<u>28,993</u>	<u>849</u>	<u>221,413</u>	<u>669,533</u>
--	--	27,719	--	--	5,806
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	313,120
--	--	--	428,629	210,000	377,700
9,928	18,595	68,960	119,502	3,098,590	13,412,929
<u>9,928</u>	<u>18,595</u>	<u>96,679</u>	<u>548,131</u>	<u>3,308,590</u>	<u>14,109,555</u>
<u>\$ 12,014</u>	<u>\$ 18,595</u>	<u>\$ 125,672</u>	<u>\$ 548,980</u>	<u>\$ 3,530,003</u>	<u>\$ 14,779,088</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	Special Revenue			
	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transpor- tation	Parish Street Maintenance
ASSETS				
Cash and cash equivalents	\$ --	\$ 2,587,142	\$ 1,897,054	\$ 2,449,927
Investments	--	--	3,523,099	4,549,864
Property taxes receivable-net	1,452,148	169,411	--	--
Sales taxes receivable	--	--	--	1,743,903
Accounts receivable	--	--	--	--
Accrued interest receivable	--	14,669	30,113	36,344
Due from other governments	5,978,710	443,105	520,112	--
Total assets	<u>\$ 7,430,858</u>	<u>\$ 3,214,327</u>	<u>\$ 5,970,378</u>	<u>\$ 8,780,038</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 38,178	\$ 47,708	\$ 319,186	\$ 1,069,500
Due to other funds	6,249,897	--	--	--
Due to other governments	--	--	--	168,325
Accrued salaries payable	166,197	--	--	2,633
Deferred revenue	410,982	30,701	--	--
Total liabilities	<u>6,865,254</u>	<u>78,409</u>	<u>319,186</u>	<u>1,240,458</u>
Fund balances:				
Reserved for:				
Encumbrances	--	--	1,138,288	2,387,448
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Subsequent year expenditures	--	36,260	375,250	--
Continuing projects	--	--	2,573,331	2,561,284
Unreserved:				
Undesignated	565,604	3,099,658	1,564,323	2,590,848
Total fund balances	<u>565,604</u>	<u>3,135,918</u>	<u>5,651,192</u>	<u>7,539,580</u>
Total liabilities and fund balances	<u>\$ 7,430,858</u>	<u>\$ 3,214,327</u>	<u>\$ 5,970,378</u>	<u>\$ 8,780,038</u>

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT B - 1
(Continued)

Special Revenue		Debt Service		
Consolidated Garbage Service District No. 1	Total	City Sales Tax Bonds	Parish Sales Tax Bonds	State and Local Government Securities
\$ 2,498,220	\$ 15,636,591	\$ 3,316,050	\$ 152,864	\$ 70
--	12,384,332	16,793,788	568,153	1,554,400
818,387	4,118,974	--	--	--
--	1,743,903	--	--	--
564,489	1,953,519	--	--	--
23,585	164,525	282,616	9,284	--
3,873,888	19,392,943	--	--	--
<u>\$ 7,778,569</u>	<u>\$ 55,394,787</u>	<u>\$ 20,392,454</u>	<u>\$ 730,301</u>	<u>\$ 1,554,470</u>
\$ 834,705	\$ 2,784,662	\$ 368	\$ --	\$ --
--	7,811,955	--	--	--
--	168,325	--	--	--
--	496,842	--	--	--
226,028	1,116,394	--	--	--
<u>1,060,733</u>	<u>12,378,178</u>	<u>368</u>	<u>--</u>	<u>--</u>
--	3,611,443	--	--	--
--	--	14,234,166	699,583	1,554,470
--	--	6,157,920	30,718	--
2,829,630	3,554,260	--	--	--
--	6,150,944	--	--	--
3,888,206	29,699,962	--	--	--
<u>6,717,836</u>	<u>43,016,609</u>	<u>20,392,086</u>	<u>730,301</u>	<u>1,554,470</u>
<u>\$ 7,778,569</u>	<u>\$ 55,394,787</u>	<u>\$ 20,392,454</u>	<u>\$ 730,301</u>	<u>\$ 1,554,470</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

EXHIBIT B - 1
(Continued)

	<u>Debt Service</u>			
	Taxable Refunding Bonds	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ --	\$ --	\$ 3,468,984	\$ 19,105,575
Investments	--	--	18,916,341	31,300,673
Property taxes receivable-net	--	--	--	4,118,974
Sales taxes receivable	--	--	--	1,743,903
Accounts receivable	--	--	--	1,953,519
Accrued interest receivable	--	--	291,900	456,425
Due from other governments	--	--	--	19,392,943
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,677,225</u>	<u>\$ 78,072,012</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ --	\$ --	\$ 368	\$ 2,785,030
Due to other funds	--	--	--	7,811,955
Due to other governments	--	--	--	168,325
Accrued salaries payable	--	--	--	496,842
Deferred revenue	--	--	--	1,116,394
Total liabilities	<u> </u>	<u> </u>	<u>368</u>	<u>12,378,546</u>
 Fund balances:				
Reserved for:				
Encumbrances	--	--	--	3,611,443
Debt service - principal	--	--	16,488,219	16,488,219
Debt service - interest	--	--	6,188,638	6,188,638
Subsequent year expenditures	--	--	--	3,554,260
Continuing projects	--	--	--	6,150,944
Unreserved:				
Undesignated	--	--	--	29,699,962
Total fund balances	<u> </u>	<u> </u>	<u>22,676,857</u>	<u>65,693,466</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,677,225</u>	<u>\$ 78,072,012</u>



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Special Revenue			
	Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ 2,893,072	\$ 330,449
Sales	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	7,200	--	--
Charges for services	384,776	541,489	5,243	--
Fines and forfeits	--	34,772	--	--
Investment earnings	1,776	(1,077)	11,074	(4,268)
Miscellaneous revenues	--	--	6,961	4,861
Total revenues	<u>386,552</u>	<u>582,384</u>	<u>2,916,350</u>	<u>331,042</u>
EXPENDITURES				
Current:				
General government	348,405	591,123	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Sanitation	--	--	--	--
Health and welfare	--	--	3,221,821	--
Conservation and development	--	--	--	375,531
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	66,076	271,253	--
Intergovernmental	--	--	--	--
Total expenditures	<u>348,405</u>	<u>657,199</u>	<u>3,493,074</u>	<u>375,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,147</u>	<u>(74,815)</u>	<u>(576,724)</u>	<u>(44,489)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	54,056	--	40,500
Transfers out	--	--	--	--
Proceeds of capital asset disposition	--	--	5,422	--
Total other financing sources and uses	<u>--</u>	<u>54,056</u>	<u>5,422</u>	<u>40,500</u>
Net change in fund balances	38,147	(20,759)	(571,302)	(3,989)
Fund balances, January 1	<u>17,420</u>	<u>20,759</u>	<u>1,828,710</u>	<u>6,015</u>
Fund balances, December 31	<u>\$ 55,567</u>	<u>\$ --</u>	<u>\$ 1,257,408</u>	<u>\$ 2,026</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Gaming Enforcement Division	City Court Judicial Building	Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 7,315,693
--	--	--	--	--	--
--	--	376,389	--	--	--
3,600	--	--	--	--	--
84,584	18,560	123,052	--	3,034,158	6,610,860
--	--	--	260,013	--	--
187	--	3,957	14,337	92,203	284,256
--	35	74,275	--	48	85,080
<u>88,371</u>	<u>18,595</u>	<u>577,673</u>	<u>274,350</u>	<u>3,126,409</u>	<u>14,295,889</u>
85,137	--	--	--	--	--
--	--	--	112,345	3,594,610	11,418,601
--	--	--	--	--	--
--	--	1,176,209	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	443,493
<u>85,137</u>	<u>--</u>	<u>1,176,209</u>	<u>112,345</u>	<u>3,594,610</u>	<u>11,862,094</u>
3,234	18,595	(598,536)	162,005	(468,201)	2,433,795
--	--	639,070	--	597,372	--
--	--	--	--	--	(597,372)
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>639,070</u>	<u>--</u>	<u>597,372</u>	<u>(597,372)</u>
3,234	18,595	40,534	162,005	129,171	1,836,423
6,694	--	56,145	386,126	3,179,419	12,273,132
<u>\$ 9,928</u>	<u>\$ 18,595</u>	<u>\$ 96,679</u>	<u>\$ 548,131</u>	<u>\$ 3,308,590</u>	<u>\$ 14,109,555</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Special Revenue			
	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transpor- tation	Parish Street Maintenance
REVENUES				
Taxes:				
Property	\$ 7,839,578	\$ 624,812	\$ --	\$ --
Sales	--	--	--	15,383,751
Licenses and permits	--	--	--	--
Intergovernmental revenues	--	70,823	2,969,733	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	(80,583)	88,211	175,494	198,421
Miscellaneous revenues	--	--	--	--
Total revenues	<u>7,758,995</u>	<u>783,846</u>	<u>3,145,227</u>	<u>15,582,172</u>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	8,336,879	--	--	--
Transportation	--	495,211	377,156	14,136,359
Sanitation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	--	1,775,797	--
Intergovernmental	--	--	1,082,230	--
Total expenditures	<u>8,336,879</u>	<u>495,211</u>	<u>3,235,183</u>	<u>14,136,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(577,884)</u>	<u>288,635</u>	<u>(89,956)</u>	<u>1,445,813</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>(577,884)</u>	<u>288,635</u>	<u>(89,956)</u>	<u>1,445,813</u>
Fund balances, January 1	<u>1,143,488</u>	<u>2,847,283</u>	<u>5,741,148</u>	<u>6,093,767</u>
Fund balances, December 31	<u>\$ 565,604</u>	<u>\$ 3,135,918</u>	<u>\$ 5,651,192</u>	<u>\$ 7,539,580</u>

The accompanying notes are an integral part of this statement.

Continued

EXHIBIT B - 2
(Continued)

Special Revenue		Debt Service		
Consolidated Garbage Service District No. 1	Total	City Sales Tax Bonds	Parish Sales Tax Bonds	State and Local Government Securities
\$ 4,867,741	\$ 23,871,345	\$ --	\$ --	\$ --
--	15,383,751	13,053,681	617,534	--
--	376,389	--	--	--
720,992	3,772,348	--	--	--
5,990,653	16,793,375	--	--	--
--	294,785	--	--	--
233,870	1,017,858	790,115	26,405	110,473
--	171,260	--	--	--
<u>11,813,256</u>	<u>61,681,111</u>	<u>13,843,796</u>	<u>643,939</u>	<u>110,473</u>
--	1,024,665	--	--	--
--	23,462,435	--	--	--
--	15,008,726	--	--	--
11,885,079	11,885,079	--	--	--
--	4,398,030	--	--	--
--	375,531	--	--	--
--	--	10,350,000	545,000	--
--	--	5,373,273	95,522	--
--	2,556,619	--	--	--
--	1,082,230	--	--	--
<u>11,885,079</u>	<u>59,793,315</u>	<u>15,723,273</u>	<u>640,522</u>	<u>--</u>
<u>(71,823)</u>	<u>1,887,796</u>	<u>(1,879,477)</u>	<u>3,417</u>	<u>110,473</u>
--	1,330,998	--	--	--
(3,753,958)	(4,351,330)	--	--	(1,027,573)
--	5,422	--	--	--
<u>(3,753,958)</u>	<u>(3,014,910)</u>	<u>--</u>	<u>--</u>	<u>(1,027,573)</u>
(3,825,781)	(1,127,114)	(1,879,477)	3,417	(917,100)
<u>10,543,617</u>	<u>44,143,723</u>	<u>22,271,563</u>	<u>726,884</u>	<u>2,471,570</u>
<u>\$ 6,717,836</u>	<u>\$ 43,016,609</u>	<u>\$ 20,392,086</u>	<u>\$ 730,301</u>	<u>\$ 1,554,470</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES EXHIBIT B - 2
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Debt Service			Total Nonmajor Governmental Funds
	Taxable Refunding Bonds	Excess Revenue and Limited Tax	Total	
REVENUES				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ 23,871,345
Sales	--	--	13,671,215	29,054,966
Licenses and permits	--	--	--	376,389
Intergovernmental revenues	--	--	--	3,772,348
Charges for services	--	--	--	16,793,375
Fines and forfeits	--	--	--	294,785
Investment earnings	--	--	926,993	1,944,851
Miscellaneous revenues	--	--	--	171,260
Total revenues	--	--	14,598,208	76,279,319
EXPENDITURES				
Current:				
General government	--	--	--	1,024,665
Public safety	--	--	--	23,462,435
Transportation	--	--	--	15,008,726
Sanitation	--	--	--	11,885,079
Health and welfare	--	--	--	4,398,030
Conservation and development	--	--	--	375,531
Debt service:				
Principal retirement	1,535,000	397,075	12,827,075	12,827,075
Interest and fiscal charges	3,707,615	59,145	9,235,555	9,235,555
Capital outlay	--	--	--	2,556,619
Intergovernmental	--	--	--	1,082,230
Total expenditures	5,242,615	456,220	22,062,630	81,855,945
Excess (deficiency) of revenues over (under) expenditures	(5,242,615)	(456,220)	(7,464,422)	(5,576,626)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,242,615	456,220	5,698,835	7,029,833
Transfers out	--	--	(1,027,573)	(5,378,903)
Proceeds of capital asset disposition	--	--	--	5,422
Total other financing sources and uses	5,242,615	456,220	4,671,262	1,656,352
Net change in fund balances	--	--	(2,793,160)	(3,920,274)
Fund balances, January 1	--	--	25,470,017	69,613,740
Fund balances, December 31	\$ --	\$ --	\$ 22,676,857	\$ 65,693,466

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 3

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
General property taxes	\$ 3,835	\$ --	\$ 3,835	\$ 3,835
General sales and use taxes	127,564,359	20,584,537	148,148,896	144,890,820
Total taxes	127,568,194	20,584,537	148,152,731	144,894,655
Intergovernmental revenues:				
Federal grants:				
U. S. Federal Transit Authority	571,649	--	571,649	571,649
U. S. Department of HUD	--	--	--	223,538
State grants:				
Department of Public Safety and Corrections	26,935,855	2,686,465	29,622,320	40,615,278
Department of Transportation and Development	4,638,087	20,610	4,658,697	4,899,762
Louisiana State Capital Outlay Bill	11,656,810	138,408	11,795,218	14,252,644
Department of Treasury	1,161,000	--	1,161,000	1,161,000
Pride Fire Protection District	10,353	--	10,353	10,353
Capital Area Transit System	--	150,533	150,533	200,000
E.B.R. Parish Sheriff	500,000	--	500,000	500,000
Total intergovernmental revenues	45,473,754	2,996,016	48,469,770	62,434,224
Charges for Services:				
District court civil and criminal fees	2,456,221	1,670,477	4,126,698	2,498,000
Investment earnings	15,824,181	2,463,043	18,287,224	15,530,920
Miscellaneous revenues:				
Interest earned on assessments	4,984	--	4,984	4,984
Lease of old pistol range land	325,000	--	325,000	325,000
Special assessments	35,023	630	35,653	31,332
Contributions from private business	1,497,544	239,204	1,736,748	963,299
Contributions from government agencies	24,138	--	24,138	12,637
Donations	278,360	--	278,360	278,360
Total miscellaneous revenues	2,165,049	239,834	2,404,883	1,615,612
Total revenues	193,487,399	27,953,907	221,441,306	226,973,411
EXPENDITURES				
Land	19,323,607	1,349,140	20,672,747	34,684,247
Buildings	58,135,165	4,875,603	63,010,768	99,416,248
Improvements other than buildings	167,096,238	24,468,926	191,565,164	253,605,280
Equipment	17,724,208	1,452,642	19,176,850	24,381,776
Other	389,756	115,982	505,738	1,521,666
Total expenditures	262,668,974	32,262,293	294,931,267	413,609,217
Excess (deficiency) of revenues over (under) expenditures	(69,181,575)	(4,308,386)	(73,489,961)	(186,635,806)
OTHER FINANCING SOURCES (USES)				
Transfers in	162,004,549	21,404,756	183,409,305	183,409,305
Transfers out	(44,917,235)	(1,510,848)	(46,428,083)	(48,081,727)
Proceeds from long term debt	46,544,644	--	46,544,644	46,544,644
Increase in long term lease	4,763,584	--	4,763,584	4,763,584
Total other financing sources and uses	168,395,542	19,893,908	188,289,450	186,635,806
Net change in fund balances	\$ 99,213,967	15,585,522	\$ 114,799,489	\$ --
Fund balances, January 1		99,213,967		
Fund balances, December 31		\$ 114,799,489		
The accompanying notes are an integral part of this statement.				

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
JUROR COMPENSATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 4

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Criminal juror fees	\$ 234,000	\$ 234,000	\$ 237,420	\$ 3,420
Civil juror fees	134,000	134,000	147,356	13,356
Total charges for services	368,000	368,000	384,776	16,776
Investment earnings	--	--	1,776	1,776
Total revenues	368,000	368,000	386,552	18,552
EXPENDITURES				
Current:				
General government:				
Juror compensation	368,000	368,000	348,405	19,595
Excess (deficiency) of revenues over (under) expenditures	--	--	38,147	38,147
Fund balances, January 1	17,420	17,420	17,420	--
Fund balances, December 31	<u>\$ 17,420</u>	<u>\$ 17,420</u>	<u>\$ 55,567</u>	<u>\$ 38,147</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 7,200	\$ 7,200	\$ 7,200	\$ --
Charges for services:				
Judiciary court costs	350,000	400,000	438,441	38,441
School security fees	22,000	22,000	21,160	(840)
Constable bench warrant fees	50,000	50,000	32,343	(17,657)
Evidence testing	45,000	45,000	49,125	4,125
Service of eviction notices	200	200	420	220
Total charges for services	467,200	517,200	541,489	24,289
Fines and forfeits:				
City court forfeitures	100,000	50,000	34,772	(15,228)
Investment earnings	--	--	(1,077)	(1,077)
Total revenues	574,400	574,400	582,384	7,984
EXPENDITURES				
Current:				
General government:				
Judicial	513,400	567,456	591,123	(23,667)
Capital outlay	81,759	81,759	66,076	15,683
Total expenditures	595,159	649,215	657,199	(7,984)
Excess (deficiency) of revenues over (under) expenditures	(20,759)	(74,815)	(74,815)	--
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	54,056	54,056	--
Net change in fund balances	(20,759)	(20,759)	(20,759)	--
Fund balances, January 1	20,759	20,759	20,759	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 2,812,000	\$ 2,812,000	\$ 2,893,072	\$ 81,072
Charges for services:				
Out of parish spraying	15,000	15,000	5,243	(9,757)
Investment earnings	25,000	25,000	11,074	(13,926)
Miscellaneous revenues:				
Other income	1,000	1,000	6,961	5,961
Total revenues	<u>2,853,000</u>	<u>2,853,000</u>	<u>2,916,350</u>	<u>63,350</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	2,736,190	3,346,190	3,225,566	120,624
Capital outlay	<u>485,207</u>	<u>485,207</u>	<u>319,690</u>	<u>165,517</u>
Total expenditures	<u>3,221,397</u>	<u>3,831,397</u>	<u>3,545,256</u>	<u>286,141</u>
Excess (deficiency) of revenues over (under) expenditures	(368,397)	(978,397)	(628,906)	349,491
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	<u>6,000</u>	<u>6,000</u>	<u>5,422</u>	<u>(578)</u>
Net change in fund balances	(362,397)	(972,397)	(623,484)	348,913
Fund balances, January 1	<u>1,828,710</u>	<u>1,828,710</u>	<u>1,828,710</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,466,313</u>	<u>\$ 856,313</u>	<u>\$ 1,205,226</u>	<u>\$ 348,913</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 352,440	\$ 352,440	\$ 330,449	\$ (21,991)
Investment earnings	(2,000)	(2,000)	(4,268)	(2,268)
Miscellaneous revenues:				
Donations	20,000	--	3,500	3,500
Other Income	--	--	1,361	1,361
Total miscellaneous revenues	20,000	--	4,861	4,861
Total revenues	370,440	350,440	331,042	(19,398)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	370,440	385,440	375,531	9,909
Excess (deficiency) of revenues over (under) expenditures	--	(35,000)	(44,489)	(9,489)
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	40,500	40,500	--
Net change in fund balances	--	5,500	(3,989)	(9,489)
Fund balances, January 1	6,015	6,015	6,015	--
Fund balances, December 31	<u>\$ 6,015</u>	<u>\$ 11,515</u>	<u>\$ 2,026</u>	<u>\$ (9,489)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 8

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 3,600	\$ 3,600	\$ 3,600	\$ --
Charges for services:				
Gaming fees	80,000	80,000	84,584	4,584
Investment earnings	--	--	187	187
Total revenues	83,600	83,600	88,371	4,771
EXPENDITURES				
Current:				
General government:				
Operations	86,890	86,890	85,137	1,753
Excess (deficiency) of revenues over (under) expenditures	(3,290)	(3,290)	3,234	6,524
Fund balances, January 1	6,694	6,694	6,694	--
Fund balances, December 31	<u>\$ 3,404</u>	<u>\$ 3,404</u>	<u>\$ 9,928</u>	<u>\$ 6,524</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY COURT JUDICIAL BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil Fees	\$ 18,560	\$ 18,560	\$ 18,560	\$ --
Investment earnings	--	--	35	35
Total revenues	18,560	18,560	18,595	35
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ 18,560</u>	<u>\$ 18,560</u>	<u>\$ 18,595</u>	<u>\$ 35</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ANIMAL CONTROL CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 10

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits:				
Licenses	\$ 346,000	\$ 366,000	\$ 376,389	\$ 10,389
Charges for services:				
Shelter income	66,000	66,000	83,798	17,798
Outside sales	15,000	15,000	13,725	(1,275)
Veterinary services	30,000	30,000	25,529	(4,471)
Total charges for services	111,000	111,000	123,052	12,052
Investment earnings	600	600	3,957	3,357
Miscellaneous revenues:				
Contributions from government agencies	50,500	50,500	49,945	(555)
Donations	4,000	19,000	23,472	4,472
Other income	—	—	858	858
Total miscellaneous revenues	54,500	69,500	74,275	4,775
Total revenues	512,100	547,100	577,673	30,573
EXPENDITURES				
Current:				
Health and welfare:				
Operations	1,131,205	1,196,705	1,188,140	8,565
Capital outlay	—	21,000	15,788	5,212
Total expenditures	1,131,205	1,217,705	1,203,928	13,777
Excess (deficiency) of revenues over (under) expenditures	(619,105)	(670,605)	(626,255)	44,350
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	618,070	639,070	639,070	—
Net change in fund balances	(1,035)	(31,535)	12,815	44,350
Fund balances, January 1	56,145	56,145	56,145	—
Fund balances, December 31	\$ 55,110	\$ 24,610	\$ 68,960	\$ 44,350

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 180,000	\$ 180,000	\$ 260,013	\$ 80,013
Investment earnings	--	--	14,337	14,337
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>274,350</u>	<u>94,350</u>
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	156,630	156,630	112,345	44,285
Capital outlay	<u>408,629</u>	<u>408,629</u>	--	<u>408,629</u>
Total expenditures	<u>565,259</u>	<u>565,259</u>	<u>112,345</u>	<u>452,914</u>
Excess (deficiency) of revenues over (under) expenditures	(385,259)	(385,259)	162,005	547,264
Fund balances, January 1	<u>386,126</u>	<u>386,126</u>	<u>386,126</u>	--
Fund balances, December 31	<u>\$ 867</u>	<u>\$ 867</u>	<u>\$ 548,131</u>	<u>\$ 547,264</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	\$ 2,708,850	\$ 2,708,850	\$ 3,034,158	\$ 325,308
Investment earnings	--	--	92,203	92,203
Miscellaneous revenues:				
Other income	--	--	48	48
Total revenues	2,708,850	2,708,850	3,126,409	417,559
EXPENDITURES				
Current:				
Public safety:				
Communications	3,804,780	3,594,780	3,594,610	170
Capital outlay	--	210,000	--	210,000
Total expenditures	3,804,780	3,804,780	3,594,610	210,170
Excess (deficiency) of revenues over (under) expenditures	(1,095,930)	(1,095,930)	(468,201)	627,729
OTHER FINANCING SOURCES				
Transfers in:				
Emergency Medical Services Fund	624,030	624,030	597,372	(26,658)
Net change in fund balances	(471,900)	(471,900)	129,171	601,071
Fund balances, January 1	3,179,419	3,179,419	3,179,419	--
Fund balances, December 31	<u>\$ 2,707,519</u>	<u>\$ 2,707,519</u>	<u>\$ 3,308,590</u>	<u>\$ 601,071</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 6,728,630	\$ 6,728,630	\$ 7,315,693	\$ 587,063
Charges for services:				
Emergency transport charges	5,371,380	5,371,380	6,610,860	1,239,480
Investment earnings	99,370	99,370	284,256	184,886
Miscellaneous revenues:				
Donations	--	--	450	450
Other income	25,950	25,950	84,630	58,680
Total miscellaneous revenues	25,950	25,950	85,080	59,130
Total revenues	12,225,330	12,225,330	14,295,889	2,070,559
EXPENDITURES				
Current:				
Public safety:				
Operations	11,182,640	11,453,140	11,424,407	28,733
Capital outlay	1,036,313	792,463	443,493	348,970
Total expenditures	12,218,953	12,245,603	11,867,900	377,703
Excess (deficiency) of revenues over (under) expenditures	6,377	(20,273)	2,427,989	2,448,262
OTHER FINANCING SOURCES (USES)				
Transfers out:				
East Baton Rouge Parish Communications District	(624,030)	(597,380)	(597,372)	8
Net change in fund balances	(617,653)	(617,653)	1,830,617	2,448,270
Fund balances, January 1	12,273,132	12,273,132	12,273,132	--
Fund balances, December 31	\$ 11,655,479	\$ 11,655,479	\$ 14,103,749	\$ 2,448,270

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 14

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 7,715,920	\$ 7,816,920	\$ 7,839,578	\$ 22,658
Investment earnings	(60,000)	(60,000)	(80,583)	(20,583)
Total revenues	7,655,920	7,756,920	7,758,995	2,075
EXPENDITURES				
Current:				
Public safety:				
Operations	7,079,940	8,312,250	8,336,879	(24,629)
Excess (deficiency) of revenues over (under) expenditures	575,980	(555,330)	(577,884)	(22,554)
Fund balances, January 1	1,143,488	1,143,488	1,143,488	--
Fund balances, December 31	<u>\$ 1,719,468</u>	<u>\$ 588,158</u>	<u>\$ 565,604</u>	<u>\$ (22,554)</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 620,210	\$ 620,210	\$ 624,812	\$ 4,602
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	68,510	68,510	70,823	2,313
Investment earnings	26,000	26,000	88,211	62,211
Total revenues	714,720	714,720	783,846	69,126
EXPENDITURES				
Current:				
Transportation:				
Operations	654,190	654,190	495,211	158,979
Excess (deficiency) of revenues over (under) expenditures	60,530	60,530	288,635	228,105
Fund balances, January 1	2,847,283	2,847,283	2,847,283	--
Fund balances, December 31	<u>\$ 2,907,813</u>	<u>\$ 2,907,813</u>	<u>\$ 3,135,918</u>	<u>\$ 228,105</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
State road fund	\$ 2,635,000	\$ 2,635,000	\$ 2,969,733	\$ 334,733
Investment earnings	50,000	50,000	175,494	125,494
Total revenues	2,685,000	2,685,000	3,145,227	460,227
EXPENDITURES				
Current:				
Transportation:				
Operations	1,215,000	1,215,000	377,156	837,844
Capital outlay	5,082,416	5,082,416	2,914,085	2,168,331
Intergovernmental	1,082,230	1,082,230	1,082,230	--
Total expenditures	7,379,646	7,379,646	4,373,471	3,006,175
Excess (deficiency) of revenues over (under) expenditures	(4,694,646)	(4,694,646)	(1,228,244)	3,466,402
Fund balances, January 1	5,741,148	5,741,148	5,741,148	--
Fund balances, December 31	<u>\$ 1,046,502</u>	<u>\$ 1,046,502</u>	<u>\$ 4,512,904</u>	<u>\$ 3,466,402</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH STREET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 13,314,210	\$ 13,314,210	\$ 15,383,751	\$ 2,069,541
Investment earnings	59,960	59,960	198,421	138,461
Total revenues	13,374,170	13,374,170	15,582,172	2,208,002
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	18,875,456	18,875,456	16,523,807	2,351,649
Excess (deficiency) of revenues over (under) expenditures	(5,501,286)	(5,501,286)	(941,635)	4,559,651
Fund balances, January 1	6,093,767	6,093,767	6,093,767	--
Fund balances, December 31	<u>\$ 592,481</u>	<u>\$ 592,481</u>	<u>\$ 5,152,132</u>	<u>\$ 4,559,651</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED GARBAGE SERVICE DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 4,669,450	\$ 4,819,450	\$ 4,867,741	\$ 48,291
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	723,590	723,590	720,992	(2,598)
Charges for services:				
Solid waste user fees	5,865,600	5,865,600	5,990,653	125,053
Investment earnings	100,000	200,000	233,870	33,870
Total revenues	11,358,640	11,608,640	11,813,256	204,616
EXPENDITURES				
Current:				
Sanitation:				
Operations	11,324,310	11,814,310	11,885,079	(70,769)
Excess (deficiency) of revenues over (under) expenditures	34,330	(205,670)	(71,823)	133,847
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(1,136,110)	(1,124,583)	(1,124,583)	--
Solid Waste Disposal Facility Fund	--	(2,629,375)	(2,629,375)	--
Total Transfers out	(1,136,110)	(3,753,958)	(3,753,958)	--
Net change in fund balances	(1,101,780)	(3,959,628)	(3,825,781)	133,847
Fund balances, January 1	10,543,617	10,543,617	10,543,617	--
Fund balances, December 31	\$ 9,441,837	\$ 6,583,989	\$ 6,717,836	\$ 133,847

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT B - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 14,536,460	\$ 13,165,353	\$ 13,053,681	\$ (111,672)
Investment earnings	683,300	683,300	790,115	106,815
Total revenues	15,219,760	13,848,653	13,843,796	(4,857)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	10,350,000	10,350,000	10,350,000	--
Interest and fiscal charges:				
Bond interest	5,371,130	5,371,130	5,371,106	24
Paying agent fees	7,000	7,000	2,167	4,833
Total interest and fiscal charges	5,378,130	5,378,130	5,373,273	4,857
Total expenditures	15,728,130	15,728,130	15,723,273	4,857
Excess (deficiency) of revenues over (under) expenditures	(508,370)	(1,879,477)	(1,879,477)	--
Fund balances, January 1	22,271,563	22,271,563	22,271,563	--
Fund balances, December 31	<u>\$ 21,763,193</u>	<u>\$ 20,392,086</u>	<u>\$ 20,392,086</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 20

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis)	Final Budget - Positive (Negative)
REVENUES				
Taxes:				
General sales and use taxes	\$ 623,930	\$ 623,930	\$ 617,534	\$ (6,396)
Investment earnings	21,000	21,000	26,405	5,405
Total revenues	644,930	644,930	643,939	(991)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	545,000	545,000	545,000	--
Interest and fiscal charges:				
Bond interest	95,530	95,530	95,522	8
Paying agent fees	1,000	1,000	--	1,000
Total interest and fiscal charges	96,530	96,530	95,522	1,008
Total expenditures	641,530	641,530	640,522	1,008
Excess (deficiency) of revenues over (under) expenditures	3,400	3,400	3,417	17
Fund balances, January 1	726,884	726,884	726,884	--
Fund balances, December 31	<u>\$ 730,284</u>	<u>\$ 730,284</u>	<u>\$ 730,301</u>	<u>\$ 17</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE AND LOCAL GOVERNMENT SECURITIES DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 21

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 110,470	\$ 110,470	\$ 110,473	\$ 3
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(1,027,570)	(1,027,570)	(1,027,573)	(3)
Net change in fund balances	(917,100)	(917,100)	(917,100)	--
Fund balances, January 1	2,471,570	2,471,570	2,471,570	--
Fund balances, December 31	<u>\$ 1,554,470</u>	<u>\$ 1,554,470</u>	<u>\$ 1,554,470</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 1,535,000	\$ 1,535,000	\$ 1,535,000	\$ --
Interest and fiscal charges:				
Bond interest	3,706,620	3,706,620	3,706,615	5
Paying agent fees	2,000	2,000	1,000	1,000
Total interest and fiscal charges	3,708,620	3,708,620	3,707,615	1,005
Total expenditures	5,243,620	5,243,620	5,242,615	1,005
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	5,243,620	5,243,620	5,242,615	(1,005)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT B - 23

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 344,000	\$ 344,000	\$ 343,500	\$ 500
Interest and fiscal charges:				
Bond interest	65,890	65,890	57,184	8,706
Total expenditures	409,890	409,890	400,684	9,206
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	409,890	409,890	400,684	(9,206)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.



NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Baton Rouge River Center accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

Solid Waste Disposal Facility Fund accounts for the provision of solid waste disposal services and operation of the landfill. Principal revenues of the fund are landfill dumping fees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005

EXHIBIT C - 1

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,612,492	\$ 1,721,295	\$ 6,923,925	\$ 10,257,712
Investments	--	--	12,858,717	12,858,717
Accounts receivable - net	560,896	35,589	645,213	1,241,698
Accrued interest receivable	--	9,284	107,867	117,151
Investment in joint venture (Note 19)	--	2,473,958	--	2,473,958
Due from other governments (Note 11)	303,681	--	--	303,681
Prepaid items	15,209	--	--	15,209
Inventory	53,686	--	--	53,686
Total current assets	<u>2,545,964</u>	<u>4,240,126</u>	<u>20,535,722</u>	<u>27,321,812</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	881,664	--	--	881,664
Investments	1,590,653	--	--	1,590,653
Accrued interest receivable	7,183	--	--	7,183
Total restricted assets	<u>2,479,500</u>	<u>--</u>	<u>--</u>	<u>2,479,500</u>
Capital assets:				
Land	1,024,914	808,586	9,174,358	11,007,858
Buildings	68,175,052	10,160,544	--	78,335,596
Improvements (other than buildings)	6,058,514	17,375	27,728,476	33,804,365
Equipment	1,268,770	11,696	165,956	1,446,422
Construction work in progress	2,066	--	--	2,066
Total capital assets	<u>76,529,316</u>	<u>10,998,201</u>	<u>37,068,790</u>	<u>124,596,307</u>
Accumulated depreciation	<u>(26,376,140)</u>	<u>(10,038,482)</u>	<u>(12,027,886)</u>	<u>(48,442,508)</u>
Net capital assets	<u>50,153,176</u>	<u>959,719</u>	<u>25,040,904</u>	<u>76,153,799</u>
Total noncurrent assets	<u>52,632,676</u>	<u>959,719</u>	<u>25,040,904</u>	<u>78,633,299</u>
Total assets	<u>55,178,640</u>	<u>5,199,845</u>	<u>45,576,626</u>	<u>105,955,111</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005

EXHIBIT C - 1
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	\$ 1,321,535	\$ 53,783	\$ 1,791,407	\$ 3,166,725
Accrued salaries payable	30,073	5,623	9,720	45,416
Accrued interest payable	770	--	--	770
Unearned revenue	1,129,952	--	264	1,130,216
Bonds payable (Note 10)	--	142,500	--	142,500
Compensated absences payable	27,997	23,832	25,510	77,339
Total current liabilities	<u>2,510,327</u>	<u>225,738</u>	<u>1,826,901</u>	<u>4,562,966</u>
Noncurrent liabilities:				
Bonds payable (Note 10)	--	2,237,000	--	2,237,000
Landfill closure and postclosure care liability	--	--	13,226,139	13,226,139
Total long-term liabilities	<u>--</u>	<u>2,237,000</u>	<u>13,226,139</u>	<u>15,463,139</u>
Total liabilities	<u>2,510,327</u>	<u>2,462,738</u>	<u>15,053,040</u>	<u>20,026,105</u>
NET ASSETS				
Invested in capital assets, net of related debt	50,153,176	959,719	25,040,904	76,153,799
Restricted for capital projects	558,705	--	--	558,705
Unrestricted	<u>1,956,432</u>	<u>1,777,388</u>	<u>5,482,682</u>	<u>9,216,302</u>
Total net assets	<u>\$ 52,668,313</u>	<u>\$ 2,737,107</u>	<u>\$ 30,523,586</u>	<u>\$ 85,929,006</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT C - 2

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 3,209,031	\$ 872,020	\$ 8,216,714	\$ 12,297,765
Miscellaneous revenues	112,302	731	21,254	134,287
Total operating revenues	<u>3,321,333</u>	<u>872,751</u>	<u>8,237,968</u>	<u>12,432,052</u>
OPERATING EXPENSES				
Personal services	1,266,603	244,344	443,773	1,954,720
Employee benefits	212,785	101,215	146,617	460,617
Supplies	1,159,863	8,779	1,021,885	2,190,527
Contractual services	1,576,989	98,533	8,147,068	9,822,590
Landfill closure and postclosure care expense	--	--	1,061,574	1,061,574
Depreciation	2,895,118	374,031	1,161,863	4,431,012
Management fee	310,378	--	--	310,378
Total operating expenses	<u>7,421,736</u>	<u>826,902</u>	<u>11,982,780</u>	<u>20,231,418</u>
Operating income (loss)	<u>(4,100,403)</u>	<u>45,849</u>	<u>(3,744,812)</u>	<u>(7,799,366)</u>
NONOPERATING REVENUES (EXPENSES)				
Operating grants	217,789	--	--	217,789
Net income (loss) from joint venture	--	(29,517)	--	(29,517)
Investment earnings	35,279	50,177	583,683	669,139
Interest expense	--	(82,347)	--	(82,347)
Gain (loss) on disposition of capital assets	530	--	7,815	8,345
Total nonoperating revenues (expenses)	<u>253,598</u>	<u>(61,687)</u>	<u>591,498</u>	<u>783,409</u>
Income (loss) before contributions and transfers	<u>(3,846,805)</u>	<u>(15,838)</u>	<u>(3,153,314)</u>	<u>(7,015,957)</u>
Capital contributions	3,578,979	--	--	3,578,979
Transfers in	<u>2,639,751</u>	<u>252,730</u>	<u>2,629,672</u>	<u>5,522,153</u>
Change in net assets	2,371,925	236,892	(523,642)	2,085,175
Total net assets - January 1	<u>50,296,388</u>	<u>2,500,215</u>	<u>31,047,228</u>	<u>83,843,831</u>
Total net assets - December 31	<u>\$ 52,668,313</u>	<u>\$ 2,737,107</u>	<u>\$ 30,523,586</u>	<u>\$ 85,929,006</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT C - 3

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 3,819,838	\$ 871,943	\$ 8,819,205	\$ 13,510,986
Cash payments to suppliers for goods and services	(2,422,787)	(99,924)	(8,226,993)	(10,749,704)
Cash payments to employees for services and benefits	(1,474,886)	(342,884)	(593,840)	(2,411,610)
Net cash provided by (used for) operating activities	(77,835)	429,135	(1,628)	349,672
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants received	217,789	--	--	217,789
Transfers in from other funds	1,129,200	252,730	2,629,672	4,011,602
Net cash provided by (used for) noncapital financing activities	1,346,989	252,730	2,629,672	4,229,391
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of debt	--	1,960,257	--	1,960,257
Proceeds from sale of capital assets	530	--	7,815	8,345
Acquisition and construction of capital assets	(4,100,398)	(322,018)	(357,352)	(4,779,768)
Principal paid on bonds, obligations and capital leases	--	(116,000)	--	(116,000)
Interest paid on bonds, obligations and capital leases	--	(82,346)	--	(82,346)
Capital contributed by other governments	4,678,566	--	--	4,678,566
Net cash provided by (used for) capital and related financing activities	578,698	1,439,893	(349,537)	1,669,054
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(1,590,653)	--	(12,858,717)	(14,449,370)
Proceeds from sales and maturities of investments	1,305,540	--	11,042,395	12,347,935
Investment in joint venture	--	(1,550,617)	--	(1,550,617)
Cash received from joint venture activity	--	363	--	363
Cash paid for expenses of joint venture	--	(1,039)	--	(1,039)
Interest received on investments	35,914	44,149	515,835	595,898
Net cash provided by (used for) investing activities	(249,199)	(1,507,144)	(1,300,487)	(3,056,830)
Net increase (decrease) in cash and cash equivalents	1,598,653	614,614	978,020	3,191,287
Cash and cash equivalents, January 1	895,503	1,106,681	5,945,905	7,948,089
Cash and cash equivalents, December 31	<u>\$ 2,494,156</u>	<u>\$ 1,721,295</u>	<u>\$ 6,923,925</u>	<u>\$ 11,139,376</u>
Classified as:				
Current assets	\$ 1,612,492	\$ 1,721,295	\$ 6,923,925	\$ 10,257,712
Restricted assets	881,664	--	--	881,664
Totals	<u>\$ 2,494,156</u>	<u>\$ 1,721,295</u>	<u>\$ 6,923,925</u>	<u>\$ 11,139,376</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C - 3
(Continued)**

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (4,100,403)	\$ 45,849	\$ (3,744,812)	\$ (7,799,366)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,895,118	374,031	1,161,863	4,431,012
Landfill closure and postclosure care expense	--	--	1,061,574	1,061,574
Increase (decrease) in compensated absences payable	823	2,504	(2,038)	1,289
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(208,516)	(1,124)	583,688	374,048
Decrease (increase) in prepaid items	16,802	--	--	16,802
Decrease (increase) in inventory	(53,686)	--	--	(53,686)
Increase (decrease) in accounts and contracts payable	661,327	7,704	941,959	1,610,990
Increase (decrease) in accrued salaries payable	3,679	171	(1,412)	2,438
Increase (decrease) in unearned revenue	707,021	--	(2,450)	704,571
Total adjustments	4,022,568	383,286	3,743,184	8,149,038
Net cash provided by (used for) operating activities	\$ (77,835)	\$ 429,135	\$ (1,628)	\$ 349,672
Non cash investing, capital, and financing activities:				
Gain in fair value of investments	\$ 7,183	\$ 9,284	\$ 107,867	\$ 124,334
Capital assets contributed from other funds	5,838,630	--	--	5,838,630
Loss from joint venture	--	(26,042)	--	(26,042)

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Central Garage Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,729,556	\$ 2,641,752	\$ 9,371,308
Accrued interest receivable	34,371	12,443	46,814
Inventory	—	284,519	284,519
Total current assets	<u>6,763,927</u>	<u>2,938,714</u>	<u>9,702,641</u>
Capital assets:			
Land	—	47,568	47,568
Buildings	—	2,213,798	2,213,798
Improvements (other than buildings)	—	7,190	7,190
Equipment	21,573,300	196,756	21,770,056
Total capital assets	<u>21,573,300</u>	<u>2,465,312</u>	<u>24,038,612</u>
Accumulated depreciation	<u>(17,245,507)</u>	<u>(1,699,412)</u>	<u>(18,944,919)</u>
Net capital assets	<u>4,327,793</u>	<u>765,900</u>	<u>5,093,693</u>
Total assets	<u>11,091,720</u>	<u>3,704,614</u>	<u>14,796,334</u>
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	459,324	458,992	918,316
Accrued salaries payable	—	29,221	29,221
Compensated absences payable	—	187,057	187,057
Total liabilities	<u>459,324</u>	<u>675,270</u>	<u>1,134,594</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,327,793	765,900	5,093,693
Unrestricted	<u>6,304,603</u>	<u>2,263,444</u>	<u>8,568,047</u>
Total net assets	<u>\$ 10,632,396</u>	<u>\$ 3,029,344</u>	<u>\$ 13,661,740</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT D - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,631,139	\$ 9,368,461	\$ 13,999,600
Operating expenses:			
Personal services	--	1,355,613	1,355,613
Employee benefits	--	520,437	520,437
Supplies	38,931	153,328	192,259
Contractual services	2,123,966	808,785	2,932,751
Cost of materials	--	6,570,096	6,570,096
Depreciation	2,727,216	74,817	2,802,033
Total operating expenses	<u>4,890,113</u>	<u>9,483,076</u>	<u>14,373,189</u>
Operating income (loss)	<u>(258,974)</u>	<u>(114,615)</u>	<u>(373,589)</u>
Non-operating revenues (expenses):			
Investment earnings	189,048	68,151	257,199
Gain (loss) on disposition of capital assets	300,760	3,853	304,613
Total non-operating revenues (expenses)	<u>489,808</u>	<u>72,004</u>	<u>561,812</u>
Change in net assets	230,834	(42,611)	188,223
Total net assets - January 1, restated	<u>10,401,562</u>	<u>3,071,955</u>	<u>13,473,517</u>
Total net assets - December 31	<u>\$ 10,632,396</u>	<u>\$ 3,029,344</u>	<u>\$ 13,661,740</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT D - 3

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Cash Flows From Operating Activities:			
Cash received from customers	\$ 4,631,139	\$ 9,368,461	\$ 13,999,600
Cash payments to suppliers for goods and services	(2,160,055)	(7,459,223)	(9,619,278)
Cash payments to employees for services and benefits	--	(1,866,117)	(1,866,117)
Net cash provided by (used for) operating activities	<u>2,471,084</u>	<u>43,121</u>	<u>2,514,205</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	328,590	3,853	332,443
Acquisition and construction of capital assets	(1,571,597)	--	(1,571,597)
Net cash provided by (used for) capital and related financing activities	<u>(1,243,007)</u>	<u>3,853</u>	<u>(1,239,154)</u>
Cash Flows From Investing Activities:			
Interest received on investments	<u>167,401</u>	<u>61,371</u>	<u>228,772</u>
Net increase (decrease) in cash and cash equivalents	1,395,478	108,345	1,503,823
Cash and cash equivalents, January 1	<u>5,334,078</u>	<u>2,533,407</u>	<u>7,867,485</u>
Cash and cash equivalents, December 31	<u>\$ 6,729,556</u>	<u>\$ 2,641,752</u>	<u>\$ 9,371,308</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (258,974)	\$ (114,615)	\$ (373,589)
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,727,216	74,817	2,802,033
Increase (decrease) in compensated absences payable	--	22,634	22,634
Change in assets and liabilities:			
Decrease (increase) in inventory	--	(85,610)	(85,610)
Increase (decrease) in accounts and contracts payable	2,842	158,597	161,439
Increase (decrease) in accrued salaries payable	--	(12,702)	(12,702)
Total adjustments	<u>2,730,058</u>	<u>157,736</u>	<u>2,887,794</u>
Net cash provided by (used for) operating activities	<u>\$ 2,471,084</u>	<u>\$ 43,121</u>	<u>\$ 2,514,205</u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 34,371	\$ 12,443	\$ 46,814
Loss on disposal of capital assets	(27,830)	--	(27,830)

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

Pension Trust Funds

City-Parish Employees Retirement System (CPERS) Regular Pension Trust Fund

accounts for a cost-sharing multiple-employer defined benefit pension system established for employees of the City-Parish government, some of the government's discretely presented component agencies and related organizations.

CPERS Police Guarantee Trust Fund accounts for a single-employer special trust set up

by CPERS to administer certain benefits to police employees who transferred to the State Municipal Police Employees Retirement System (MPERS) in 2000. This fund covers benefits that were included in the CPERS system that are not covered by the MPERS system.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

EXHIBIT E - 1

	CPERS Regular Retirement System	CPERS Police Guaranty Trust	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 14,884,736	\$ 426,097	\$ 15,310,833
Receivables:			
Employee contributions	1,796,576	9,258	1,805,834
Employer contributions	603,848	1,064	604,912
Interest and dividends	1,188,115	1,167	1,189,282
Pending trades	6,623,613	164	6,623,777
Other contributions	591,668	62,598	654,266
Total receivables	<u>10,803,820</u>	<u>74,251</u>	<u>10,878,071</u>
Investments, at fair value			
U.S. government obligations	87,586,921	--	87,586,921
Bonds - domestic	49,126,592	--	49,126,592
Bonds - domestic index fund	127,162,249	8,757,796	135,920,045
Equity securities - domestic	421,376,056	12,340,404	433,716,460
Equity securities - international	191,338,613	5,759,750	197,098,363
Real estate investments	48,344,326	--	48,344,326
Total investments	<u>924,934,757</u>	<u>26,857,950</u>	<u>951,792,707</u>
Securities lending collateral:			
Short term securities - securities lending program	<u>32,426,873</u>	<u>--</u>	<u>32,426,873</u>
Capital assets:			
Land	550,628	--	550,628
Buildings	706,345	--	706,345
Equipment	159,378	--	159,378
Accumulated depreciation	(701,148)	--	(701,148)
Total capital assets	<u>715,203</u>	<u>--</u>	<u>715,203</u>
 Total assets	 <u>983,765,389</u>	 <u>27,358,298</u>	 <u>1,011,123,687</u>
 LIABILITIES			
Accrued expenses and benefits payable	787,884	298,561	1,086,445
Pending trades payable	23,564,610	--	23,564,610
Securities lending obligations:			
Obligations held-securities lending program	<u>32,426,873</u>	<u>--</u>	<u>32,426,873</u>
 Total liabilities	 <u>56,779,367</u>	 <u>298,561</u>	 <u>57,077,928</u>
 NET ASSETS			
Held in trust for pension benefits	<u>\$ 926,986,022</u>	<u>\$ 27,059,737</u>	<u>\$ 954,045,759</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT E - 2

	CPERS Regular Retirement System	CPERS Police Guaranty Trust	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employee	\$ 11,287,059	\$ 53,883	\$ 11,340,942
Employer	20,637,086	93,973	20,731,059
Severance contributions from employee	1,310,297	--	1,310,297
Total contributions	<u>33,234,442</u>	<u>147,856</u>	<u>33,382,298</u>
Investment income:			
<i>From investment activities</i>			
Net appreciation (depreciation) in fair value of investments	69,710,302	1,930,646	71,640,948
Interest	6,000,347	12,834	6,013,181
Dividends	3,043,691	--	3,043,691
Total investment income	<u>78,754,340</u>	<u>1,943,480</u>	<u>80,697,820</u>
Less: investment activities expense	3,299,328	108,393	3,407,721
Net income from investing activities	<u>75,455,012</u>	<u>1,835,087</u>	<u>77,290,099</u>
<i>From securities lending activities</i>			
Securities lending income	136,278	--	136,278
Less: Borrower rebate, fees, and expenses	54,460	--	54,460
Net income from securities lending activities	<u>81,818</u>	<u>--</u>	<u>81,818</u>
Total net investment income	<u>75,536,830</u>	<u>1,835,087</u>	<u>77,371,917</u>
Total additions	<u>108,771,272</u>	<u>1,982,943</u>	<u>110,754,215</u>
DEDUCTIONS			
Benefit payments	57,592,125	2,405,005	59,997,130
Refunds and withdrawals	1,462,779	212	1,462,991
Administrative expenses	878,515	266,382	1,144,897
Total deductions	<u>59,933,419</u>	<u>2,671,599</u>	<u>62,605,018</u>
Change in net assets	48,837,853	(688,656)	48,149,197
Net assets - beginning of year	<u>878,148,169</u>	<u>27,748,393</u>	<u>905,896,562</u>
Net assets - end of year	<u>\$ 926,986,022</u>	<u>\$ 27,059,737</u>	<u>\$ 954,045,759</u>

The accompanying notes are an integral part of this statement.



**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

(Excludes Internal Service Funds)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE (1)
DECEMBER 31, 2005 AND 2004

EXHIBIT F - 1

	2005	2004
Governmental funds capital assets:		
Land	\$ 81,681,327	\$ 80,332,187
Buildings	196,413,387	191,366,143
Improvements (other than buildings) and infrastructure	449,683,344	414,519,111
Equipment	51,555,660	50,518,562
Equipment under capital leases	158,613	158,613
Construction work in progress	51,347,504	50,356,534
Total governmental funds capital assets	<u>\$ 830,839,835</u>	<u>\$ 787,251,150</u>
Investments in governmental funds capital assets by source:		
Investment in property acquired prior to 1960	\$ 3,601,707	\$ 3,601,707
Investment in property acquired after 1960:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	47,777,561	47,777,561
Revenue Bonds	13,197,769	13,197,769
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal and State grants	74,101,411	70,532,710
Property taxes	16,386,026	16,386,026
Library Board of Control Special Revenue Fund	40,487,413	36,829,117
Dedicated sales tax	105,229,744	86,007,907
General Fund revenues	141,612,300	137,717,055
Special Revenue Funds revenues	150,084,283	147,218,366
Gifts	1,847,950	1,847,950
Donated infrastructure	116,627,380	107,173,226
Other sources	40,759,795	39,842,260
Eminent domain	75,548	68,548
Total governmental funds capital assets	<u>\$ 830,839,835</u>	<u>\$ 787,251,150</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
DECEMBER 31, 2005

EXHIBIT F - 2

Function and Activity	Land	Buildings	Improvements (Other Than Buildings) and Infrastructure	Equipment	Totals	
					December 31, 2005	December 31, 2004
General government:						
Legislative	\$ --	\$ --	\$ --	\$ 356,869	\$ 356,869	\$ 334,021
Executive	--	167,938	2,207	259,094	429,239	429,987
Judicial	1,680	17,570,051	2,704	1,253,860	18,828,295	18,765,165
Elections	--	--	--	88,076	88,076	88,076
Finance	--	--	--	628,900	628,900	641,664
Personnel	--	739,000	--	45,310	784,310	781,373
Law	115,670	108,858	--	514,629	739,157	745,537
Administration office and boards	511,406	1,240,517	174,982	3,546,984	5,473,889	5,441,766
General government buildings	8,689,763	30,077,785	26,435	--	38,793,983	38,793,983
Total general government	9,318,519	49,904,149	206,328	6,693,722	66,122,718	66,021,572
Public safety:						
Police	809,549	4,722,566	347,167	18,151,179	24,030,461	24,919,075
Fire	1,037,835	10,296,611	278,635	10,402,228	22,015,309	20,556,459
Emergency Medical Services	75,307	2,092,712	43,144	2,983,364	5,194,527	5,273,939
Correctional institution	--	33,006,730	738,903	716,639	34,462,272	34,299,552
Other	625,149	16,097,395	998,278	4,240,276	21,961,098	21,394,959
Total public safety	2,547,840	66,216,014	2,406,127	36,493,686	107,663,667	106,443,984
Transportation	63,478,418	10,418,903	434,896,149	118,028	508,911,498	471,961,750
Sanitation	--	--	--	87,421	87,421	87,421
Health and welfare	2,400	5,419,701	47,031	1,964,806	7,433,938	7,149,064
Culture and recreation	4,100,707	51,433,804	4,255,076	4,288,368	64,077,955	60,147,410
Conservation and development	1,988,007	13,020,816	4,986,870	1,909,629	21,905,322	21,793,603
Miscellaneous	245,436	--	2,885,763	--	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	<u>\$ 81,681,327</u>	<u>\$ 196,413,387</u>	<u>\$ 449,683,344</u>	<u>\$ 51,555,660</u>	<u>\$ 779,333,718</u>	<u>\$ 736,736,003</u>
Equipment under capital leases					158,613	158,613
Construction work in progress					51,347,504	50,356,534
Total governmental funds capital assets					<u>\$ 830,839,835</u>	<u>\$ 787,251,150</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT F - 3

Function and Activity	Governmental Funds Capital Assets	Additions	Deletions	Adjustments	Governmental Funds Capital Assets
	January 1, 2005				December 31, 2005
General government:					
Legislative	\$ 334,021	\$ 35,353	\$ 12,505	\$ --	\$ 356,869
Executive	429,987	14,192	14,940	--	429,239
Judicial	18,765,165	138,519	75,389	--	18,828,295
Elections	88,076	--	--	--	88,076
Finance	641,664	21,881	34,645	--	628,900
Personnel	781,373	9,422	6,485	--	784,310
Law	745,537	6,517	12,897	--	739,157
Administration office and boards	5,441,766	63,509	31,386	--	5,473,889
General government buildings	38,793,983	--	--	--	38,793,983
Total general government	66,021,572	289,393	188,247	--	66,122,718
Public safety:					
Police	24,919,075	325,354	1,220,968	(7,000)	24,030,461
Fire	20,556,459	729,325	31,461	(760,986)	22,015,309
Emergency Medical Services	5,273,939	462,505	541,917	--	5,194,527
Correctional institution	34,299,552	181,867	19,147	--	34,462,272
Other	21,394,959	566,139	--	--	21,961,098
Total public safety	106,443,984	2,265,190	1,813,493	(767,986)	107,663,667
Transportation	471,961,750	13,362,368	--	(23,587,380)	508,911,498
Sanitation	87,421	--	--	--	87,421
Health and welfare	7,149,064	276,277	31,750	(40,347)	7,433,938
Culture and recreation	60,147,410	1,898,086	--	(2,032,459)	64,077,955
Conservation and development	21,793,603	120,591	16,894	(8,022)	21,905,322
Miscellaneous	3,131,199	--	--	--	3,131,199
Equipment under capital leases	158,613	--	--	--	158,613
Construction work in progress	50,356,534	17,966,010	--	16,975,040	51,347,504
Total governmental funds capital assets	\$ 787,251,150	\$ 36,177,915	\$ 2,050,384	\$ (9,461,154)	\$ 830,839,835

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

The accompanying notes are an integral part of this statement.

SELECTED NONMAJOR COMPONENT UNITS

Fire Protection Districts Included in Primary Government Audit

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a fire service fee and state insurance company taxes.

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

Alsea-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

**BROWNSFIELD FIRE PROTECTION DISTRICT
CHANEYVILLE FIRE PROTECTION DISTRICT
PRIDE FIRE PROTECTION DISTRICT
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31, 2005**

EXHIBIT G - 1

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
ASSETS				
Cash and cash equivalents	\$ --	\$ 582	\$ 67,663	\$ 38,011
Property taxes receivable - net	60,231	--	--	38,389
Accrued interest receivable	--	--	415	389
Due from other governments	344,604	22,546	23,736	161,188
Total assets	\$ 404,835	\$ 23,128	\$ 91,814	\$ 237,977
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 9,990	\$ 1,911	\$ 4,790	\$ 21,739
Due to primary government	251,435	19,551	--	--
Deferred revenue	15,874	--	--	546
Total liabilities	277,299	21,462	4,790	22,285
Fund balances:				
Reserved for:				
Encumbrances	1,638	--	--	--
Subsequent year expenditures	--	--	8,080	--
Continuing projects	15,000	--	--	20
Unreserved:				
Undesignated	110,898	1,666	78,944	215,672
Total fund balances	127,536	1,666	87,024	215,692
Total liabilities and fund balances	\$ 404,835	\$ 23,128	\$ 91,814	\$ 237,977

The accompanying notes are an integral part of this statement.

**BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2005**

EXHIBIT G - 2

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Fund balances - total governmental funds	\$ 127,536	\$ 1,666	\$ 87,024	\$ 215,692
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds				
Governmental capital assets	423,308	331,318	371,799	732,983
Less accumulated depreciation	(335,728)	(320,902)	(216,694)	(508,959)
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.	53,527	--	--	546
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Compensated absences payable	(5,991)	--	--	--
Obligation under capital leases	--	--	--	(13,858)
Net assets of governmental activities	<u>\$ 262,652</u>	<u>\$ 12,082</u>	<u>\$ 242,129</u>	<u>\$ 426,404</u>

**BROWNSFIELD FIRE PROTECTION DISTRICT
CHANEYVILLE FIRE PROTECTION DISTRICT
PRIDE FIRE PROTECTION DISTRICT
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT G - 3

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
REVENUES				
Taxes:				
General property taxes	\$ 344,795	\$ --	\$ --	\$ 205,523
Intergovernmental revenues:				
Federal Emergency Management Agency	54,334	--	--	30,706
Louisiana Office of the Governor	--	2,449	--	--
Louisiana Department of Treasury	--	22,942	--	30,391
Insurance company taxes	20,419	11,001	11,025	5,779
Louisiana revenue sharing	60,724	--	--	--
On-behalf payments for salaries and benefits	14,400	--	--	--
City of Baton Rouge	17,050	24,311	11,702	25,750
Charges for services:				
Fire protection service charges	98,394	32,410	32,173	14,600
Investment earnings	--	--	2,672	4,250
Miscellaneous revenues:				
Other income	6,656	4,828	8,806	1,883
Total revenues	<u>616,772</u>	<u>97,941</u>	<u>66,378</u>	<u>318,882</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	294,278	31,395	16,592	128,694
Employee benefits	106,157	8,552	5,892	14,795
Supplies	97,129	36,947	8,141	57,896
Contractual services	98,402	26,456	33,373	54,670
Debt service:				
Principal	--	--	--	47,998
Interest	--	--	--	1,915
Capital outlay	--	--	5,500	--
Total expenditures	<u>595,966</u>	<u>103,350</u>	<u>69,498</u>	<u>305,968</u>
Excess (deficiency) of revenues over (under) expenditures	20,806	(5,409)	(3,120)	12,914
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	--	1,900	2,250
Net change in fund balances	20,806	(5,409)	(1,220)	15,164
Fund balances, January 1	<u>106,730</u>	<u>7,075</u>	<u>88,244</u>	<u>200,528</u>
Fund balances, December 31	<u>\$ 127,536</u>	<u>\$ 1,666</u>	<u>\$ 87,024</u>	<u>\$ 215,692</u>

The accompanying notes are an integral part of this statement.

**BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2005**

EXHIBIT G - 4

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Net change in fund balances - total governmental funds	\$ 20,806	\$ (5,409)	\$ (1,220)	\$ 15,164
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.				
Capital outlay	--	--	5,500	--
Depreciation expense	(32,205)	(10,300)	(29,224)	(69,156)
Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.				
Property tax revenues	(5,694)	--	--	(3,651)
Louisiana revenue sharing	2,535	--	--	--
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.				
	--	--	--	47,998
Some expenses reported in the statement of activities, such as compensated absences payable, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.				
	(4,370)	--	--	--
Change in net assets of governmental activities	<u>\$ (18,928)</u>	<u>\$ (15,709)</u>	<u>\$ (24,944)</u>	<u>\$ (9,645)</u>

BROWNSFIELD FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT G - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 412,240	\$ 357,240	\$ 344,795	\$ (12,445)
Intergovernmental revenues:				
Federal Emergency Management Agency	54,334	54,334	54,334	--
Louisiana Office of the Governor	15,000	15,000	--	(15,000)
Insurance company taxes	21,710	21,710	20,419	(1,291)
Louisiana revenue sharing	52,530	52,530	60,724	8,194
On-behalf payments for salaries and benefits	14,400	13,400	14,400	1,000
City of Baton Rouge	17,050	17,050	17,050	--
Total intergovernmental revenues	175,024	174,024	166,927	(7,097)
Charges for services:				
Fire protection service charges	114,390	114,390	98,394	(15,996)
Miscellaneous revenues:				
Other income	--	--	6,656	6,656
Total revenues	701,654	645,654	616,772	(28,882)
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	309,300	308,300	294,278	14,022
Employee benefits	88,950	88,950	106,157	(17,207)
Supplies	34,130	34,130	38,396	(4,266)
Contractual services	121,680	121,826	98,402	23,424
Assistance to Firefighters Grant - supplies	60,371	60,371	60,371	--
Total public safety	614,431	613,577	597,604	15,973
Capital Outlay	15,000	15,000	--	15,000
Total expenditures	629,431	628,577	597,604	30,973
Excess (deficiency) of revenues over (under) expenditures	72,223	17,077	19,168	2,091
Fund Balances, January 1	106,730	106,730	106,730	--
Fund Balances, December 31	\$ 178,953	\$ 123,807	\$ 125,898	\$ 2,091

CHANEYVILLE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT G - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Louisiana Office of the Governor	\$ 2,449	\$ 2,449	\$ 2,449	\$ --
Louisiana Department of Treasury	22,942	22,942	22,942	--
Insurance company taxes	10,420	10,420	11,001	581
City of Baton Rouge	22,230	24,311	24,311	--
Total intergovernmental revenues	58,041	60,122	60,703	581
Charges for services:				
Fire protection service charges	29,700	32,100	32,410	310
Miscellaneous revenues:				
Other income	230	4,354	4,828	474
Total revenues	87,971	96,576	97,941	1,365
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	31,400	31,400	31,395	5
Employee benefits	5,510	7,010	8,552	(1,542)
Supplies	7,330	14,435	14,488	(53)
Contractual services	26,500	25,415	23,524	1,891
Rural Development Grant - Supplies	2,449	2,449	2,449	--
LA State appropriations assistance				
Supplies	20,010	20,010	20,010	--
Contractual services	2,932	2,932	2,932	--
Total expenditures	96,131	103,651	103,350	301
Excess (deficiency) of revenues over (under) expenditures	(8,160)	(7,075)	(5,409)	1,666
Fund Balances, January 1	7,075	7,075	7,075	--
Fund Balances, December 31	\$ (1,085)	\$ --	\$ 1,666	\$ 1,666

PRIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT G - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Insurance company taxes	\$ 9,760	\$ 9,760	\$ 11,025	\$ 1,265
City of Baton Rouge	11,120	11,702	11,702	—
Total intergovernmental revenues	20,880	21,462	22,727	1,265
Charges for services:				
Fire protection service charges	29,440	29,440	32,173	2,733
Investment earnings	1,000	1,000	2,672	1,672
Miscellaneous revenues:				
Other income	--	5,840	8,806	2,966
Total revenues	51,320	57,742	66,378	8,636
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	17,480	17,480	16,592	888
Employee benefits	5,090	5,090	5,892	(802)
Supplies	8,710	9,292	8,141	1,151
Contractual services	32,180	32,180	33,373	(1,193)
Total public safety	63,460	64,042	63,998	44
Capital outlay	--	5,840	5,500	340
Total expenditures	63,460	69,882	69,498	384
Excess (deficiency) of revenues over (under) expenditures	(12,140)	(12,140)	(3,120)	9,020
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	--	1,900	1,900
Net change in fund balances	(12,140)	(12,140)	(1,220)	10,920
Fund Balances, January 1	88,244	88,244	88,244	--
Fund Balances, December 31	\$ 76,104	\$ 76,104	\$ 87,024	\$ 10,920

ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT G - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 253,060	\$ 215,060	\$ 205,523	\$ (9,537)
Intergovernmental revenues:				
Federal Emergency Management Agency	--	30,726	30,706	(20)
Louisiana Department of Treasury	30,391	30,391	30,391	--
Insurance company taxes	5,100	5,100	5,779	679
City of Baton Rouge	25,750	25,750	25,750	--
Total intergovernmental revenues	61,241	91,967	92,626	659
Charges for services:				
Fire protection service charges	11,700	11,700	14,600	2,900
Investment earnings	500	500	4,250	3,750
Miscellaneous revenues:				
Other income	--	--	1,883	1,883
Total revenues	326,501	319,227	318,882	(345)
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	130,000	130,000	128,694	1,306
Employee benefits	24,960	24,960	14,795	10,165
Supplies	7,850	7,850	10,566	(2,716)
Contractual services	41,826	41,826	40,903	923
Assistance to Firefighters Grant - Supplies	--	30,726	30,706	20
LA State appropriations assistance				
Supplies	16,624	16,624	16,624	--
Contractual services	13,767	13,767	13,767	--
Total public safety	235,027	265,753	256,055	9,698
Debt service:				
Principal	47,998	47,998	47,998	--
Interest	1,915	1,915	1,915	--
Total debt service	49,913	49,913	49,913	--
Total expenditures	284,940	315,666	305,968	9,698
Excess (deficiency) of revenues over (under) expenditures	41,561	3,561	12,914	9,353
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	--	2,250	2,250
Net change in fund balances	41,561	3,561	15,164	11,603
Fund Balances, January 1	200,528	200,528	200,528	--
Fund Balances, December 31	\$ 242,089	\$ 204,089	\$ 215,692	\$ 11,603



SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2005**

EXHIBIT H - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT</u>		
<u>Consolidated Cash Account</u>		
Louisiana Asset Management Pool	1.99-4.18	\$ 152,500,000
Certificates of Deposit - Hibernia National Bank	4.13-4.41	145,000,000
Certificates of Deposit - Hancock Bank	4.17-4.36	30,000,000
Certificates of Deposit - Whitney National Bank	3.92-4.20	46,000,000
U. S. Agency Bills	3.54-4.08	73,530,438
State and Local Government Series Securities	4.48-4.69	1,554,400
Cash in Bank - Whitney National Bank		22,218,978
Total Cash and Investments - Consolidated Cash Account		<u>470,803,816</u>
<u>Payroll Cash Account</u>		<u>(5,868)</u>
<u>Other Cash Items</u>		
Petty Cash		13,626
Cash on Hand		1,754,251
Total Other Cash Items		<u>1,767,877</u>
<u>Baton Rouge River Center</u>		
Whitney National Bank:		
Cash in Bank		<u>1,329,165</u>
<u>East Baton Rouge Sewerage Commission</u>		
Repurchase Agreements	3.89-4.88	20,956,802
Whitney National Bank:		
Cash in Bank		1,955,295
Certificates of Deposit - Hibernia National Bank	3.87-3.90	6,867,320
Certificates of Deposit - Hancock Bank	4.02-4.24	5,234,572
Total East Baton Rouge Sewerage Commission		<u>35,013,989</u>
<u>1993 Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		18,590
Certificates of Deposit - Hibernia National Bank	3.90	24,329
Certificates of Deposit - Hancock Bank	4.02-4.24	72,887
Repurchase Agreements	3.89	300,437
Total 1993 Public Improvement Sales Tax Revenue Bonds		<u>416,243</u>
<u>1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)</u>		
Whitney National Bank:		
Cash in Bank		94,753
Certificates of Deposit - Hibernia National Bank	3.87-3.90	116,549
Certificates of Deposit - Hancock Bank	4.02-4.24	349,522
Repurchase Agreements	3.89	1,080,169
Total 1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)		<u>1,640,993</u>
<u>1998A Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		716,330
Certificates of Deposit - Hibernia National Bank	3.87-3.90	934,969
Certificates of Deposit - Hancock Bank	4.02-4.24	2,803,735
Repurchase Agreements	3.89	11,388,154
Total 1998A Public Improvement Sales Tax Revenue Bonds		<u>15,843,188</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2005

EXHIBIT H - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>1998C Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		\$ 44,715
Certificates of Deposit - Hibernia National Bank	3.87-3.90	54,093
Certificates of Deposit - Hancock Bank	4.02-4.24	162,205
Repurchase Agreements	3.89	460,000
Total 1998C Public Improvement Sales Tax Revenue Bonds		<u>721,013</u>
<u>2001A Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		103,293
Certificates of Deposit - Hibernia National Bank	3.87-3.90	133,275
Certificates of Deposit - Hancock Bank	4.02-4.24	399,672
Repurchase Agreements	5.04	1,581,240
Total 2001A Public Improvement Sales Tax Revenue Bonds		<u>2,217,480</u>
<u>2005B Public Improvement Sales Tax Revenue Bonds (Taxable)</u>		
Whitney National Bank		
Cash in Bank		13,125
Certificates of Deposit - Hibernia National Bank	1.70-2.03	13,125
Certificates of Deposit - Hancock Bank	2.15	39,371
Total 2005B Public Improvement Sales Tax Revenue Bonds (Taxable)		<u>65,621</u>
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		<u>\$ 529,813,517</u>
 <u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 6,241,735
U.S. Treasury Bonds		23,158,498
U.S. Agency Notes		5,093,827
Mortgage Backed Securities		75,418,380
Corporate Bonds		48,855,355
Corporate Bonds Index		135,920,045
Corporate Stock Index		244,815,989
Asset Backed Securities		16,614,328
International Equities		197,098,361
Domestic Equities		188,900,471
Short-Term Investment Fund		9,069,098
Equity Real Estate Fund		48,344,326
Total Employees' Retirement System Pension Trust Fund		<u>\$ 999,530,413</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2005**

EXHIBIT H - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
COMPONENT UNITS		
District Attorney of the Nineteenth Judicial District		\$ 3,120,462
Nineteenth Judicial District Court		463,400
E.B.R. Parish Family Court		346,577
E.B.R. Parish Juvenile Court		583,795
Nineteenth Judicial District Indigent Defender Board		593,092
E.B.R. Parish Clerk of Court		4,698,534
E. B. R. Parish Coroner		650
St. George Fire Protection District		791,658
Central Fire Protection District		725,537
E.B.R. Parish Fire Protection District No. 6		124,665
Eastside Fire Protection District		98,395
Pride Fire Protection District		67,663
Chaneyville Fire Protection District		582
Alsen-St. Irma Lee Fire Protection District		38,011
Capital Region Planning Commission		382,513
Capital Area Transit System		118,362
Grand Total Cash, Cash Equivalents and Investments - Component Units		<u>\$ 12,153,896</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEMS
REVENUE BY SOURCE AND EXPENSES BY TYPE**

EXHIBIT H - 2

REGULAR EMPLOYEES' TRUST

<u>Revenue By Source</u>					
<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Net Appreciation (Depreciation) in Fair Value of Investments</u>	<u>Total</u>
2005	\$ 12,597,356	\$ 20,637,086	\$ 5,826,528	\$ 69,710,302	\$ 108,771,272
2004	11,148,409	17,739,809	6,342,098	84,474,036	119,704,352
2003	9,063,451	14,531,806	5,916,688	151,705,813	181,217,758
2002	9,223,966	12,053,689	8,578,556	(71,317,665)	(41,461,454)
2001	8,972,290	11,516,686	10,284,795	(25,651,838)	5,121,933
2000	9,231,205	13,587,244	10,466,030	7,199,059	40,483,538
1999	11,776,623	20,334,067	9,694,688	83,703,462	125,508,840
1998	11,632,339	20,120,542	9,901,484	79,443,675	121,098,040
1997	9,645,590	18,405,695	14,772,623	86,711,576	129,535,484
1996	9,033,167	16,219,697	20,725,256	35,437,680	81,415,800

<u>Expenses By Type</u>				
<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds and Withdrawals</u>	<u>Total</u>
2005	\$ 57,592,125	\$ 878,515	\$ 1,462,779	\$ 59,933,419
2004	53,426,342	836,043	1,432,612	55,694,997
2003	48,561,375	954,294	1,681,537	51,197,206
2002	45,286,042	817,319	1,670,141	47,773,502
2001	43,261,108	789,316	1,999,902	46,050,326
2000	43,966,217	732,364	1,760,171	46,458,752
1999	40,759,659	944,577	2,012,039	43,716,275
1998	37,095,474	1,015,699	1,493,287	39,604,460
1997	44,787,560	1,020,585	1,487,729	47,295,874
1996	30,666,429	877,475	1,815,573	33,359,477

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEMS
REGULAR EMPLOYEES' TRUST
(UNAUDITED)**

EXHIBIT H - 3

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$924,904,837	\$1,111,081,729	\$186,176,892	83.2 %	\$115,559,703	161.1 %
12/31/04	883,663,240	1,057,269,629	173,606,389	83.6	109,887,349	158.0
12/31/03	847,227,425	985,671,695	138,444,270	86.0	106,240,559	130.3
12/31/02	818,150,788	947,726,617	129,575,829	86.3	101,339,785	127.8
12/31/01	813,977,773	902,821,264	88,843,491	90.2	102,793,456	86.4
12/31/00	786,941,507	855,994,379	69,052,872	91.9	99,510,155	69.4
12/31/99	741,562,144	809,012,654	67,450,510	91.7	96,744,086	69.7
12/31/98	740,257,038	875,075,687	134,818,649	84.6	118,742,991	113.5
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
12/31/05	\$20,785,669	105.6 %
12/31/04	19,623,023	94.9
12/31/03	18,479,710	76.1
12/31/02	16,110,422	73.6
12/31/01	13,708,997	79.6
12/31/00	11,240,695	116.7
12/31/99	15,658,856	130.4
12/31/98	17,967,514	107.1
12/31/97	19,510,792	91.5
12/31/96	17,773,028	91.3

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2005

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

<u>INDEX</u>	<u>Exhibit</u>	<u>Page Number</u>
Financial Trends Information		
Net Assets By Component, Last Five Fiscal Years	I-1	203
Changes in Net Assets, Last Five Fiscal Years	I-2	204
Governmental Activities Tax Revenues By Source, Last Five Fiscal Years	I-3	206
Fund Balances of Governmental Funds, Last Ten Fiscal Years	I-4	208
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	I-5	210
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	I-6	212
Revenue Capacity Information		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	I-7	214
Property Tax Rates and Tax Levies-Direct and Overlapping Governments, Last Ten Years ..	I-8	216
Principal Property Taxpayers, Current Year and Nine Years Ago	I-9	218
Property Tax Levies and Collections, Last Ten Years	I-10	219
Sales Tax Revenues, Last Ten Years	I-11	220
Taxable Sales by Standard Industrial Classification (SIC) Code, Last Ten Years	I-12	221
Debt Capacity Information		
Ratios of Outstanding Debt by Type, Last Eight Fiscal Years	I-13	222
Ratios of General Bonded Debt Outstanding, Last Eight Fiscal Years	I-14	224
Direct and Overlapping Governmental Activities Debt, December 31, 2005	I-15	226
Legal Debt Margin Calculation, Last Ten Fiscal Years	I-16	228
Pledged Revenue Coverage, Last Ten Fiscal Years	I-17	229
Demographic and Economic Information		
Demographic and Economic Statistics, Last Ten Calendar Years	I-18	230
Principle Employers, Current Year and Nine Years Ago	I-19	231
Operating Information		
Full-Time Equivalent City-Parish Government Employees by Function/Program, Last Ten Fiscal Years	I-20	232
Operating Indicators by Function/Program, Last Ten Fiscal Years	I-21	234
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	I-22	236



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT I - 1

	FISCAL YEAR				
	2005	2004	2003	2002	2001
Governmental activities					
Invested in capital assets, net of related debt	\$ 388,589	\$ 365,576	\$ 334,171	\$ 261,953	\$ 241,882
Restricted	137,843	145,436	148,600	151,557	139,229
Unrestricted	50,683	13,838	20,138 (1)	3,810	(5,320)
Total governmental activities net assets	<u>577,115</u>	<u>524,850</u>	<u>502,909</u>	<u>417,320</u>	<u>375,791</u>
Business-type activities					
Invested in capital assets, net of related debt	394,066	386,187	335,010	308,261	286,324
Restricted	33,418	31,856	31,933 (2)	71,664	61,869
Unrestricted	219,744	168,876	143,228 (2)	79,897	70,362
Total business-type activities net assets	<u>647,228</u>	<u>586,919</u>	<u>510,171</u>	<u>459,822</u>	<u>418,555</u>
Primary government					
Invested in capital assets, net of related debt	782,655	751,763	669,181	570,214	528,206
Restricted	171,261	177,292	180,532	223,221	201,098
Unrestricted	270,427	182,714	163,368	83,707	65,042
Total primary government net assets	<u>\$ 1,224,343</u>	<u>\$ 1,111,769</u>	<u>\$ 1,013,081</u>	<u>\$ 877,142</u>	<u>\$ 794,346</u>

Source: Audited Comprehensive Annual Financial Reports
Information available for five years.

Notes:

- (1) During 2004 the City-Parish and CPERS determined that the CPERS Retirement System should be reported as a multiple-employer cost sharing pension employees' retirement system instead of a multiple-employer agent plan that had previously been reported. Net assets were restated for the prior year 2003.
- (2) City-Parish adopted GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, during 2004 and restated restricted and unrestricted net assets for 2003.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT I - 2

	FISCAL YEAR				
	2005	2004	2003	2002	2001
Expenses					
Governmental activities:					
General government	\$ 56,327	\$ 56,264	\$ 50,856	\$ 64,108	\$ 54,946
Public safety	159,310	136,280	128,134	120,255	118,701
Transportation	49,689	51,039	46,892	29,078	42,965
Sanitation	30,171	25,370	23,641	23,155	22,797
Health and welfare	8,190	7,049	7,088	8,068	6,843
Culture and recreation	21,926	19,960	18,548	16,871	15,980
Conservation and development	34,604	35,735	36,623	35,485	29,489
Intergovernmental	14,253	13,601	13,139	12,053	11,871
Interest and fiscal charges on long-term debt	6,046	6,064	6,013	6,137	6,903
Total governmental activities expenses	<u>380,516</u>	<u>351,362</u>	<u>330,934</u>	<u>315,210</u>	<u>310,495</u>
Business-type activities:					
Airport	16,418	13,561	13,578	12,236	10,982
Sewer	71,696	74,934	68,144	66,156	66,937
Civic center	7,422	3,483	3,486	3,330	3,412
Parking facilities	909	937	804	817	836
Waste disposal facilities	11,983	11,203	11,456	12,596	10,660
Total business-type activities	<u>108,428</u>	<u>104,118</u>	<u>97,468</u>	<u>95,135</u>	<u>92,827</u>
Total primary government expenses	<u>488,944</u>	<u>455,480</u>	<u>428,402</u>	<u>410,345</u>	<u>403,322</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	19,134	16,511	14,238	13,666	12,825
Public safety	15,814	13,786	13,414	14,201	12,591
Transportation	470	543	447	420	386
Sanitation	13,288	13,087	12,995	12,884	12,749
Health and welfare	586	579	522	548	533
Culture and recreation	464	463	457	440	417
Conservation and development	3,881	3,715	2,983	2,954	2,322
Operating grants and contributions	62,059	42,304	40,280	38,169	33,405
Capital grants and contributions	15,185	13,521	22,936	18,160	15,951
Total governmental activities program revenues	<u>130,881</u>	<u>104,509</u>	<u>108,272</u>	<u>101,442</u>	<u>91,179</u>
Business-type activities					
Charges for Services					
Airport	16,690	10,773	8,848	8,644	8,200
Sewer	55,865	52,811	51,821	48,138	40,455
Civic center	3,321	1,204	1,421	1,412	1,791
Parking facilities	843	675	688	617	622
Waste disposal facilities	8,238	8,588	9,500	9,893	9,651
Operating grants and contributions	415	79	1,134	362	400
Capital grants and contributions	28,722	52,059	25,039	25,605	20,883
Total business-type activities program revenues	<u>114,094</u>	<u>126,189</u>	<u>98,451</u>	<u>94,671</u>	<u>82,002</u>
Total primary government total revenues	<u>244,975</u>	<u>230,698</u>	<u>206,723</u>	<u>196,113</u>	<u>173,181</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT I - 2
(Continued)

	FISCAL YEAR				
	2005	2004	2003	2002	2001
Net (expense)/revenue:					
Governmental activities	\$ (249,635)	\$ (246,853)	\$ (222,662)	\$ (213,768)	\$ (219,316)
Business-type activities	5,666	22,071	983	(464)	(10,825)
Total primary government net expense	<u>(243,969)</u>	<u>(224,782)</u>	<u>(221,679)</u>	<u>(214,232)</u>	<u>(230,141)</u>
General Revenues and Other Changes					
in Net Assets					
Governmental activities					
Taxes:					
Property	66,922	62,895	60,671	57,875	54,778
Gross receipts business	24,254	22,203	21,848	20,508	22,836
Sales	185,636	164,821	160,620	154,905	150,688
Occupancy	1,026	764	730	772	--
Occupational	8,687	8,124	7,983	7,344	7,093
Insurance premium	3,358	3,194	3,054	3,072	2,947
Gaming admissions	7,654	6,504	6,820	7,131	7,054
Interest and penalties - delinquent taxes	1,613	1,614	1,343	1,329	1,307
Unrestricted grants and contributions	4,404	4,219	4,545	4,125	4,816
Investment earnings	8,252	4,022	3,793	5,222	10,242
Gain (loss) on sale of capital assets	895	1,061	1,738	486	700
Transfers	<u>(10,801)</u>	<u>(15,770)</u>	<u>(13,042)</u>	<u>(7,473)</u>	<u>(5,566)</u>
Total governmental activities general revenues	<u>301,900</u>	<u>263,651</u>	<u>260,103</u>	<u>255,296</u>	<u>256,895</u>
Business-type activities					
Taxes:					
Sales	35,973	31,161	30,760	29,954	29,844
Investment earnings	7,767	3,630	3,030	4,173	6,493
Gain (loss) on sale of capital assets	102	129	130	132	(359)
Transfers	<u>10,801</u>	<u>15,770</u>	<u>13,041</u>	<u>7,473</u>	<u>5,566</u>
Total business-type activities general revenues	<u>54,643</u>	<u>50,690</u>	<u>46,961</u>	<u>41,732</u>	<u>41,544</u>
Total primary government general revenues	<u>356,543</u>	<u>314,341</u>	<u>307,064</u>	<u>297,028</u>	<u>298,439</u>
Change in Net Assets					
Governmental activities	52,265	16,798	37,441	41,528	37,579
Business-type activities	60,309	72,761	47,944	41,268	30,719
Total primary government net expense	<u>\$ 112,574</u>	<u>\$ 89,559</u>	<u>\$ 85,385</u>	<u>\$ 82,796</u>	<u>\$ 68,298</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FIVE FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

EXHIBIT I - 3

	<u>General Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu- pational Taxes</u>	<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties- Delinquent Taxes</u>	<u>Total</u>
2005	\$66,921	\$24,254	\$185,636	\$1,026	\$8,687	\$3,358	\$7,654	\$1,613	\$299,149
2004	62,895	22,203	164,821	764	8,124	3,194	6,504	1,614	270,119
2003	60,671	21,848	160,620	730	7,983	3,054	6,820	1,343	263,069
2002	57,875	20,508	154,905	772	7,344	3,072	7,131	1,329	252,936
2001	54,778	22,836	150,687	--	7,093	2,947	7,054	1,307	246,702

Previous to year 2002, occupancy taxes were deposited in a proprietary fund.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT I - 4

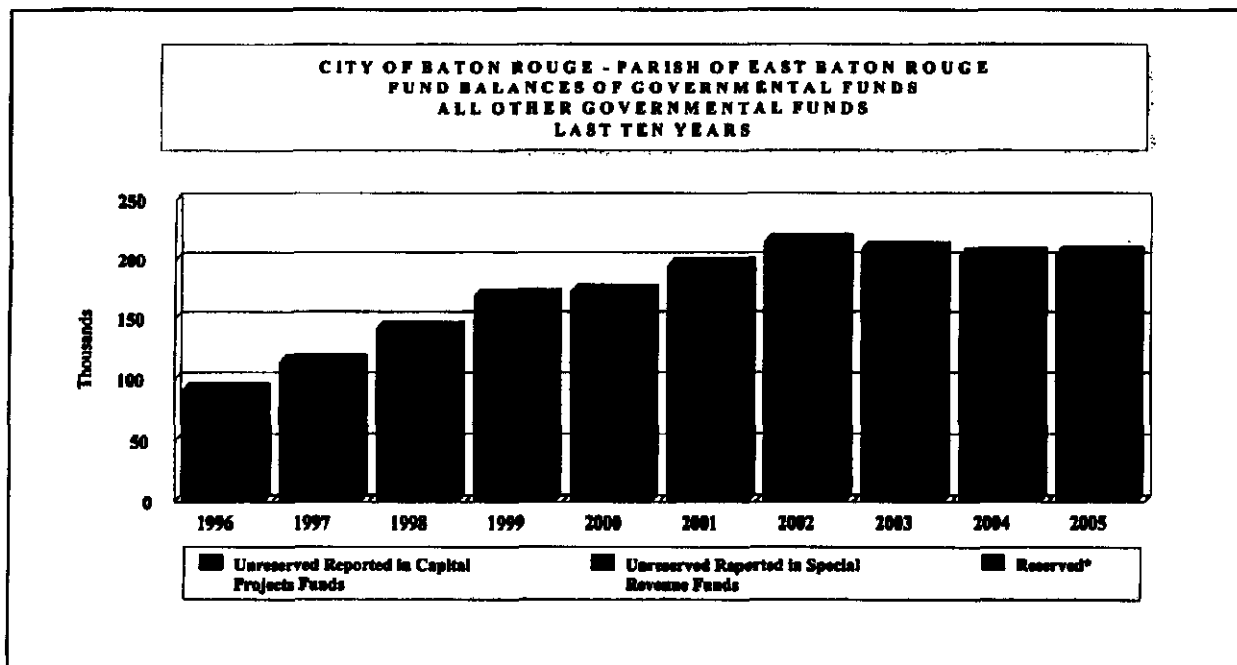
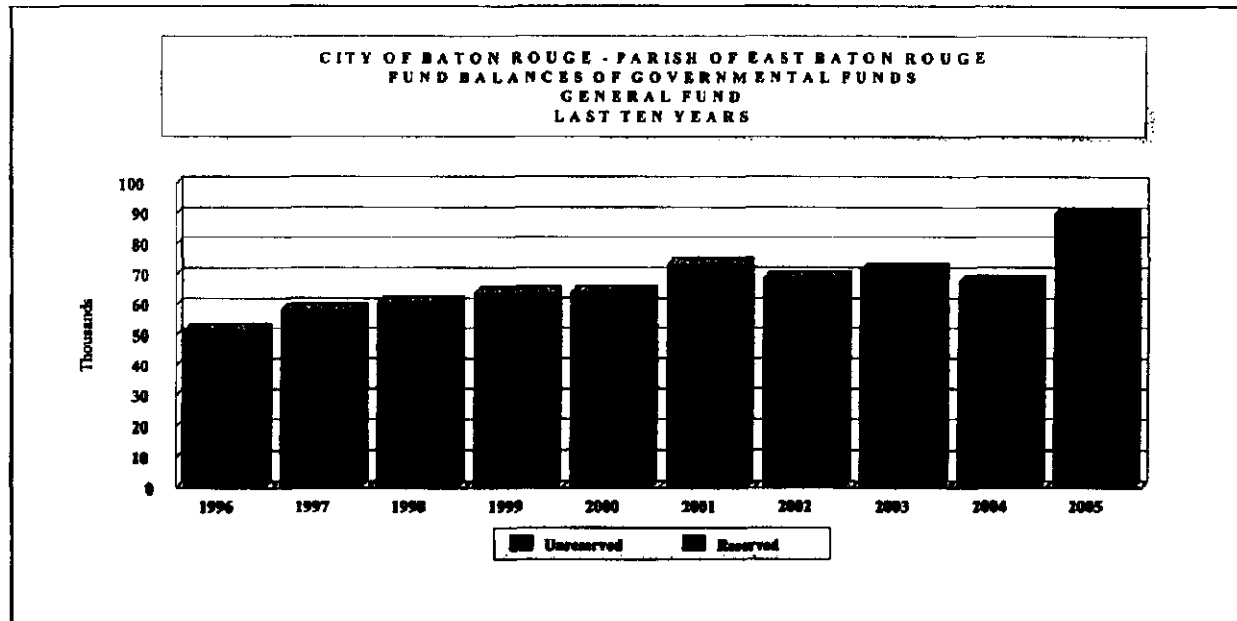
GENERAL FUND				ALL OTHER GOVERNMENTAL FUNDS				
	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Projects Funds	Total all other Govern- mental Funds	
2005	\$ 15,372	\$ 74,494	\$ 89,866	\$ 155,492	\$ 49,317	\$ --	\$ 204,809	
2004	10,786	56,741	67,527	156,643	47,122	--	203,765	
2003	12,834	58,760	71,594	151,111	57,734	--	208,845	
2002	18,790	50,112	68,902	152,375	62,629	--	215,004	
2001	17,579	55,904	73,483	135,120	57,300	2,905	195,325	
2000	15,335	48,901	64,236	111,107	51,422	10,659	173,188	
1999	20,547	43,313	63,860	115,816	50,230	3,249	169,295	
1998	16,940	43,708	60,648	88,184	45,693	8,095	141,972	
1997	16,547	41,823	58,370	73,290	40,228	1,164	114,682	
1996	17,202	34,422	51,624	57,501	33,022	796	91,319	

* Includes Special Revenue, Capital Projects and Debt Service Funds.
All fund balances in Debt Service Funds are reserved to pay future debt service.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

EXHIBIT I - 4
(Continued)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(In thousands)

	FISCAL YEAR			
	2005	2004	2003	2002
REVENUES				
Taxes	\$ 298,664	\$ 270,185	\$ 263,344	\$ 252,816
Licenses and permits	3,838	3,597	3,540	3,260
Intergovernmental	68,473	55,982	61,484	54,545
Charges for services	41,627	37,696	34,618	34,759
Fines and forfeits	2,300	2,006	2,263	1,895
Investment earnings	7,995	3,921	3,699	5,060
Miscellaneous revenues	14,771	14,944	14,260	14,716
Total revenues	<u>437,668</u>	<u>388,331</u>	<u>383,208</u>	<u>367,051</u>
EXPENDITURES				
Current:				
General government	54,824	52,944	49,508	57,641
Public safety	150,016	127,225	117,426	108,261
Transportation	38,438	37,261	35,131	30,456
Sanitation	26,600	24,721	23,911	22,542
Health and welfare	7,887	6,738	6,765	7,760
Culture and recreation	19,988	18,135	16,729	15,360
Conservation and development	33,917	34,959	35,754	34,616
Debt service:				
Principal retirement	12,827	12,258	14,130	10,956
Interest and fiscal charges	9,235	9,720	9,105	11,029
Other charges	--	--	355	1,927
Capital outlay	36,178	44,992	53,162	34,333
Intergovernmental	14,253	13,601	13,138	12,052
Total expenditures	<u>404,163</u>	<u>382,554</u>	<u>375,114</u>	<u>346,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,505</u>	<u>5,777</u>	<u>8,094</u>	<u>20,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,804	31,467	32,044	46,144
Transfers out	(41,605)	(47,237)	(45,085)	(53,617)
Refunding bonds issued	--	--	--	73,450
Long-term debt proceeds	--	--	--	--
Capital leases	--	27	132	--
Sale of capital assets	679	820	1,349	485
Payments to refunded bond escrow agent	--	--	--	(71,483)
Total other financing sources and uses	<u>(10,122)</u>	<u>(14,923)</u>	<u>(11,560)</u>	<u>(5,021)</u>
Net change in fund balances	\$ 23,383	\$ (9,146)	\$ (3,466)	\$ 15,097
Debt service as a percentage of noncapital expenditures	6.0%	6.5%	7.3%	7.6%

FISCAL YEAR					
2001	2000	1999	1998	1997	1996
\$ 246,633	\$ 234,263	\$ 234,567	\$ 231,464	\$ 221,052	\$ 213,835
3,106	3,176	3,333	3,054	3,066	3,157
46,953	50,364	45,757	45,235	47,596	44,242
32,500	33,420	31,275	31,465	30,273	29,560
1,886	2,331	2,042	1,453	1,975	1,932
9,899	11,216	8,201	8,219	6,261	5,260
14,144	14,376	14,108	13,773	13,089	13,335
<u>355,121</u>	<u>349,146</u>	<u>339,283</u>	<u>334,663</u>	<u>323,312</u>	<u>311,321</u>
51,846	50,625	54,017	50,120	46,994	44,059
106,812	100,598	98,944	96,423	90,871	86,700
32,773	33,896	36,891	40,284	44,626	45,690
22,495	21,840	20,702	20,225	19,269	16,229
6,469	5,919	6,210	6,471	5,490	4,967
14,562	12,094	11,346	11,419	10,481	9,698
28,719	24,052	23,416	22,932	21,523	23,056
11,230	7,439	7,179	8,882	10,073	11,521
11,179	10,298	5,715	8,133	8,071	8,836
--	--	--	--	26	47
40,313	61,163	40,819	32,523	26,996	33,992
11,871	13,145	11,572	11,594	10,697	10,680
<u>338,269</u>	<u>341,069</u>	<u>316,811</u>	<u>309,006</u>	<u>295,117</u>	<u>295,475</u>
16,852	8,077	22,472	25,657	28,195	15,846
40,873	32,305	29,376	33,929	22,182	19,282
(46,439)	(37,112)	(34,579)	(39,165)	(27,188)	(24,303)
--	--	--	94,840	--	--
23,625	--	12,000	9,083	19,325	--
--	160	39	109	274	255
830	693	1,599	672	345	753
--	--	--	(95,449)	--	--
<u>18,889</u>	<u>(3,954)</u>	<u>8,435</u>	<u>4,019</u>	<u>14,938</u>	<u>(4,013)</u>
\$ 35,741	\$ 4,123	\$ 30,907	\$ 29,676	\$ 43,133	\$ 11,833
7.5%	6.3%	4.7%	6.2%	6.8%	7.8%

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

EXHIBIT I - 6

	Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2005	\$66,436	\$24,254	\$185,636	\$1,026	\$8,687	\$3,358	\$7,654	\$1,613	\$298,664
2004	62,961	22,203	164,821	764	8,124	3,194	6,504	1,614	270,185
2003	60,946	21,848	160,620	730	7,983	3,054	6,820	1,343	263,344
2002	57,755	20,508	154,905	772	7,344	3,072	7,131	1,329	252,816
2001	54,710	22,836	150,687	--	7,092	2,947	7,054	1,307	246,633
2000	44,174	20,504	151,318	--	7,113	2,832	7,010	1,313	234,264
1999	45,007	18,541	151,410	--	7,101	2,955	8,216	1,338	234,568
1998	45,062	18,554	147,526	--	6,676	2,791	9,415	1,440	231,464
1997	42,864	18,298	138,774	--	6,612	2,816	10,029	1,658	221,051
1996	41,101	17,879	135,369	--	5,847	2,818	8,627	2,195	213,836

Previous to year 2002, occupancy taxes were deposited in a proprietary fund.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

EXHIBIT I - 7

<u>Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value*</u>
<u>City of Baton Rouge</u>			
2005	\$1,324,384,971	\$12,039,863,373	11
2004	1,284,097,909	11,673,617,355	11
2003	1,204,843,076	10,953,118,873	11
2002	1,153,809,550	10,489,177,727	11
2001	1,128,641,029	10,260,372,991	11
2000	1,107,123,367	10,064,757,882	11
1999	1,049,998,711	9,545,442,827	11
1998	1,019,135,241	9,264,865,827	11
1997	971,009,652	8,827,360,473	11
1996	932,171,540	8,474,286,727	11
<u>Parish of East Baton Rouge</u>			
2005	\$3,012,031,780 **	\$27,382,107,091	11
2004	2,885,035,660	26,227,596,909	11
2003	2,669,273,996	24,266,127,236	11
2002	2,533,605,400	23,032,776,364	11
2001	2,437,458,220	22,158,711,091	11
2000	2,324,089,310	21,128,084,636	11
1999	2,196,149,252	19,964,993,200	11
1998	2,110,523,938	19,186,581,255	11
1997	1,984,916,760	18,044,697,818	11
1996	1,864,291,960	16,948,108,764	11

***Actual Valuation (Market Value) as Compared to Assessed Valuation**

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 11% of actual market value.

****Exempt Properties**

Does not include exempt assessed valuations as follows:

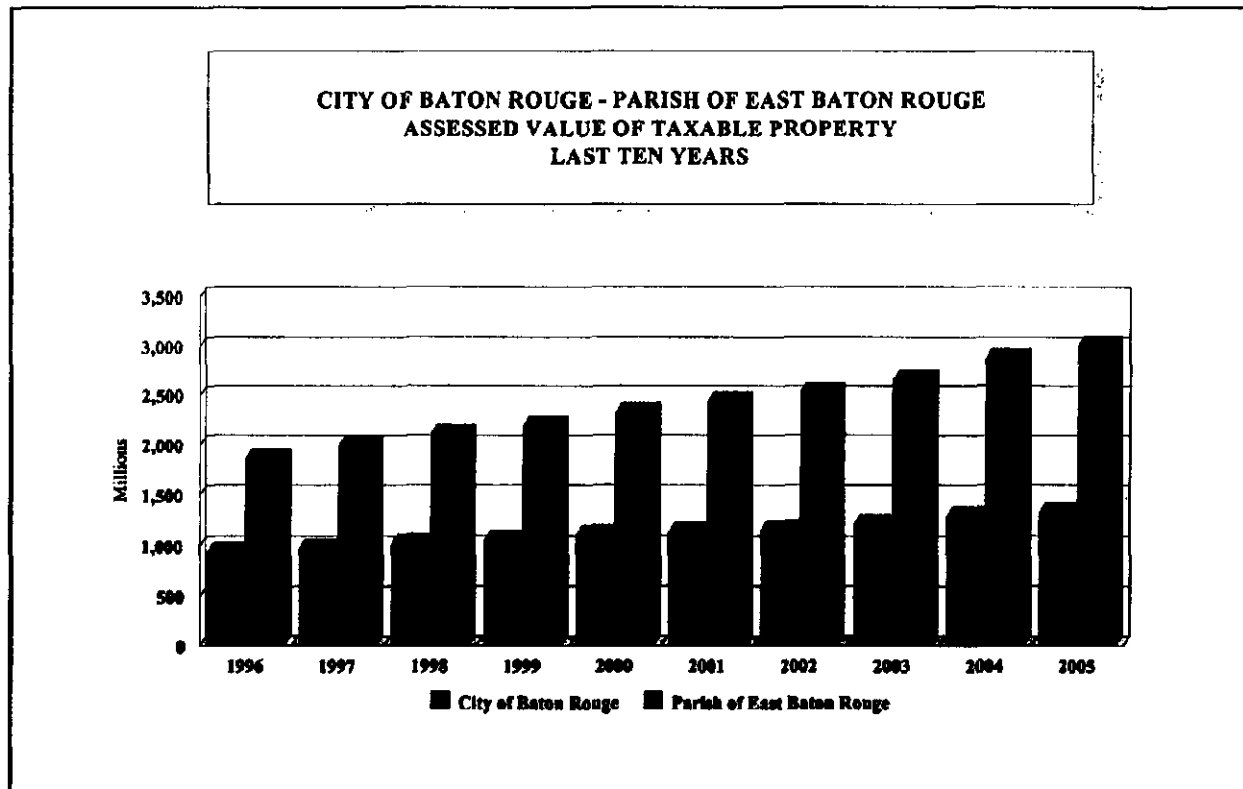
	<u>2005</u>	<u>2004</u>
(a) Manufacturing plants under a ten-year contract	\$517,971,429	\$550,738,864
(b) Churches, schools, and government buildings	66,713,950	65,445,638
Total Exempt Properties	<u>\$584,685,379</u>	<u>\$616,184,502</u>

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

**EXHIBIT I - 7
(Continued)**



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS

Year	City		Parish			
	Operating	Municipal Fire Salaries and Benefits	Operating	Debt Service (2)	Mosquito and Rodent Tax	Emergency Medical Services
<u>TAX RATES (mills per dollar)</u>						
2005	7.84	6.00	3.78	--	1.23	3.13
2004	7.84	6.00	3.78	--	1.23	2.70
2003	8.34	6.00	4.06	--	1.14	2.90
2002	8.34	6.00	4.06	--	1.14	2.90
2001	8.34	6.00	4.06	--	1.14	2.90
2000	8.34	--	4.06	--	1.14	2.90
1999	8.50	--	4.20	--	1.18	3.00
1998	8.50	--	4.20	--	1.18	3.00
1997	8.50	--	4.20	0.63	1.18	3.00
1996	8.50	--	4.20	1.22	1.18	3.00

TAX LEVIES

2005	\$10,383,178	\$7,946,310	\$11,385,480	\$	--	\$3,704,799	\$9,427,659
2004	10,067,328	7,704,587	10,905,435	--	--	3,548,594	7,789,596
2003	10,048,391	7,229,058	10,837,252	--	--	3,042,972	7,740,895
2002	9,622,772	6,922,857	10,286,438	--	--	2,888,310	7,347,456
2001	9,412,866	6,771,846	9,896,080	--	--	2,778,702	7,068,629
2000	9,233,409	--	9,435,803	--	--	2,649,462	6,739,859
1999	8,924,989	--	9,223,827	--	--	2,591,456	6,588,448
1998	8,662,650	--	8,864,201	--	--	2,490,418	6,331,572
1997	8,253,582	--	8,336,650	1,250,498	--	2,342,202	5,954,750
1996	7,923,458	--	7,830,026	2,274,436	--	2,199,865	5,592,876

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and cost due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

Library Board of Control	School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
<u>TAX RATES (mills per dollar)</u>					
9.97	43.45	14.46	14.99	1.38	106.23
9.97	43.45	10.95	14.99	1.38	102.29
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	104.03
10.72	43.45	10.95	14.99	1.48	98.03
11.10	43.45	10.95	14.99	1.53	98.90
11.10	43.45	10.95	14.99	1.53	98.90
11.10	43.45	10.95	14.99	1.53	99.53
11.10	43.45	10.97	14.99	1.53	100.14

TAX LEVIES

\$30,029,957	\$122,414,442	\$43,563,016	\$45,150,356	\$4,156,604	\$288,161,801
28,763,806	117,833,099	31,591,140	43,246,685	3,981,349	265,431,619
28,614,617	109,279,071	29,228,550	40,012,417	3,950,525	249,983,748
27,160,250	110,085,155	27,742,979	37,978,745	3,749,736	243,784,698
26,129,552	105,907,560	26,690,168	36,537,499	3,607,438	234,800,340
24,914,237	100,981,681	25,448,778	34,838,099	3,439,652	217,680,980
24,377,257	95,422,686	24,047,834	32,920,277	3,360,108	207,456,882
23,426,816	91,702,265	23,110,237	31,636,754	3,229,102	199,454,015
22,032,576	86,244,633	21,734,839	29,753,902	3,036,923	188,940,555
20,693,641	81,003,486	20,451,283	27,945,737	2,852,367	178,767,175

- (1) Not included are the following: Consolidated Road Lighting District No. 1, Consolidated Garbage District No. 1, St. George Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District, Central Fire Protection District, Eastside Fire Protection District, East Baton Rouge Parish Fire Protection District No. 6, Downtown Development District, Pontchartrain Levee District, Cormite Diversion Canal, City of Baker and City of Zachary. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT I - 9

Taxpayer	Type of Business	2005			1996		
		Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	\$214,445,420	1	7.12 %	\$149,648,230	1	8.03 %
Entergy, Inc.	Electric and Gas Utility	61,938,930	2	2.06	48,771,720	3	2.62
Bellsouth Communications (South Central Bell-1996)	Telephone Utility	48,770,300	3	1.62	56,449,140	2	3.03
Georgia-Pacific Corporation	Pulp and Paper Products	47,095,160	4	1.56	11,106,920	8	0.60
J P Morgan/Chase (Bank One-1996)	Bank	32,622,500	5	1.08	18,797,800	4	1.01
Hibernia National Bank	Bank	29,182,450	6	0.97	14,931,600	6	0.80
Wal-Mart	Retail Store	19,047,800	7	0.63	--	--	--
Union Planters Bank	Bank	18,232,200	8	0.61	--	--	--
Baton Rouge Water Works	Water Utility	15,438,160	9	0.51	15,992,030	5	0.86
Formosa Plastics	Plastics Manufacturer	13,887,400	10	0.46	--	--	--
City National Bank (now Whitney National Bank)	Bank	--	--	--	12,214,950	7	0.66
A T & T Communications	Telephone Utility	--	--	--	8,857,360	9	0.48
Belle of Baton Rouge	Gaming Riverboat	--	--	--	8,761,900	10	0.47
		<u>\$500,660,320</u>		<u>16.62 %</u>	<u>\$345,531,650</u>		<u>18.56 %</u>

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

EXHIBIT I - 10

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge Sub Fund</u>						
2005	\$10,383,178					
2004	10,067,328	\$9,882,582	98.16 %	\$60,411	\$9,942,993	98.76 %
2003	10,048,391	9,826,910	97.80	98,434	9,925,344	98.78
2002	9,622,772	9,402,985	97.72	97,600	9,500,585	98.73
2001	9,412,866	9,171,828	97.44	107,678	9,279,506	98.58
2000	9,233,409	9,056,440	98.08	105,071	9,161,511	99.22
1999	8,924,989	8,782,957	98.41	136,608	8,919,565	99.94
1998	8,662,650	8,388,954	96.84	97,277	8,486,231	97.96
1997	8,253,582	8,063,699	97.70	140,344	8,204,043	99.40
1996	7,923,458	7,756,358	97.89	126,883	7,883,241	99.49
<u>Parish of East Baton Rouge Sub Fund</u>						
2005	\$9,071,271					
2004	8,626,282	\$8,423,541	97.65 %	\$47,887	\$8,471,428	98.20 %
2003	8,478,022	8,258,061	97.41	62,026	8,320,087	98.14
2002	7,946,684	7,680,424	96.65	40,301	7,720,725	97.16
2001	7,593,434	7,355,336	96.86	57,340	7,412,676	97.62
2000	7,172,500	6,939,318	96.75	67,904	7,007,222	97.70
1999	6,942,479	6,758,323	97.35	60,835	6,819,158	98.22
1998	6,635,226	6,422,070	96.79	52,132	6,474,202	97.57
1997	6,158,765	5,980,058	97.10	145,285	6,125,343	99.46
1996	5,698,781	5,530,813	97.05	79,484	5,610,297	98.45

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SALES TAX REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands, except percentages)

EXHIBIT 1 - 11

	2% City-Parish General	1/2 % Roads Improvement and Maintenance	1/2 % Sewerage Improvement and Maintenance	Total
2005	\$149,668	\$35,968	\$35,972	\$221,608
2004	133,662	31,158	31,160	195,980
2003	129,864	30,756	30,759	191,379
2002	124,955	29,950	29,953	184,858
2001	121,569	29,118	29,124	179,811
2000	121,887	29,431	29,441	180,759
1999	122,187	29,223	29,230	180,640
1998	118,904	28,622	28,667	176,193
1997	112,001	26,772	26,797	165,570
1996	109,391	25,978	26,133	161,502

The following is a summary by area of sales and use taxes being levied within the Parish of East Baton Rouge as of December 31, 2005.

Entity/Area	Parish	School Board Operating	School Board Capital Improvement	Municipal	State	Total
East Baton Rouge	3.00%	1.00%	1.00%	--	4.00%	9.00%
Baton Rouge	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Baker	1.00%	2.00%	--	2.50%	4.00%	9.50%
Zachary	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Central Transition District	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST SIX FISCAL YEARS
(modified accrual basis of accounting)
(in thousands)

EXHIBIT I - 12

Standard Industrial Classification Code	FISCAL YEAR					
	2005	2004	2003	2002	2001	2000
Agriculture, Forestry, and Fishing	\$ 8,307	\$ 7,418	\$ 7,078	\$ 7,810	\$ 7,416	\$ 7,923
Mining	1,946	1,738	1,753	1,125	1,459	1,097
Construction	138,667	123,838	124,994	113,209	115,977	129,383
Manufacturing	601,441	537,121	661,657	607,531	573,806	660,323
Transportation and Public Utilities	114,346	102,118	76,165	78,472	91,420	89,892
Wholesale Trade	387,041	345,650	313,167	321,259	336,625	379,983
Other Retail Trade	4,187,261	3,739,462	3,479,707	3,304,559	3,152,830	3,283,451
Vehicle	698,725	624,001	645,294	631,897	624,196	274,855
Food Stores	443,616	396,174	403,942	399,294	413,760	446,777
Finance, Insurance, and Real Estate	37,941	33,883	42,530	41,048	43,096	43,270
Services	863,884	771,497	736,718	741,296	717,561	777,030
Public Administration	225	200	195	250	304	366
Total	\$ 7,483,400	\$ 6,683,100	\$ 6,493,200	\$ 6,247,750	\$ 6,078,450	\$ 6,094,350

Source: City-Parish Finance Revenue Division
Collector of EBR Parish-wide Sales & Use Taxes
Based on 2% general sales and use tax with no exemptions for food and drugs.
Only six years of information is available as of December 31, 2005

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

Year	Governmental Activities					
	Excess Revenue Contracts Loans and Notes	Revenue Bonds	Capital Leases	Compensated Absences Payable	Claims and Judgments Payable	Employee Benefits Payable
2005	\$69,760	\$62,200	\$ 28	\$15,469	\$32,346	\$4,194
2004	72,520	67,114	82	15,130	29,735	3,938
2003	74,386	71,488	108	13,240	27,066	3,152
2002	78,791	75,646	141	10,606	26,438	4,960
2001	76,897	79,547	1,267	9,774	33,631	4,739
2000	84,181	63,839	890	8,198	30,491	4,082
1999	12,044	64,434	1,636	9,184	41,809	4,560
1998	56	65,767	2,424	9,141	40,507	5,453

Source:

(1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Entity-wide accrual information available for only eight years.

Business - Type Activities						
Excess Revenue Contracts Loans and Notes	Revenue Bonds	Compensated Absences Payable	Landfill Closure and Post- Closure Care	(1) Total Primary Government	(2) Percentage of Personal Income	(2) (in dollars) Debt Per Capita
\$18,170	\$271,771	\$1,427	\$13,226	\$488,591	3.72%	\$1,171
11,737	277,113	1,295	12,165	490,829	3.85%	1,178
6,795	291,339	1,058	11,058	499,690	4.02%	1,199
4,896	300,426	974	9,860	512,738	4.26%	1,236
1,185	312,985	811	7,379	528,215	4.62%	1,276
--	292,222	2	6,320	490,225	4.46%	1,187
--	304,362	2	5,317	443,348	4.36%	1,111
--	272,674	4	4,380	400,406	4.04%	1,010

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT 1 - 14

Year	Excess Revenue Contracts Loans and Notes (1)	Less: Amount Available In Debt Service Fund (4)	Total	Percentage of Estimated Actual Value of Property (2)	<i>(in dollars)</i> Debt Per Capita (3)
2005	\$69,760	\$ --	\$69,760	0.58%	\$167
2004	72,520	--	72,520	0.62%	174
2003	74,386	--	74,386	0.68%	178
2002	78,791	954 (5)	79,745	0.76%	192
2001	76,897	--	76,897	0.75%	186
2000	84,181	--	84,181	0.84%	204
1999	12,044	--	12,044	0.13%	30
1998	56	--	56	0.00%	0

(1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports.

See Note 10 - Long-term debt.

(2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.

(3) Population data can be found in the Schedule of Demographic and Economic Statistics.

(4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.

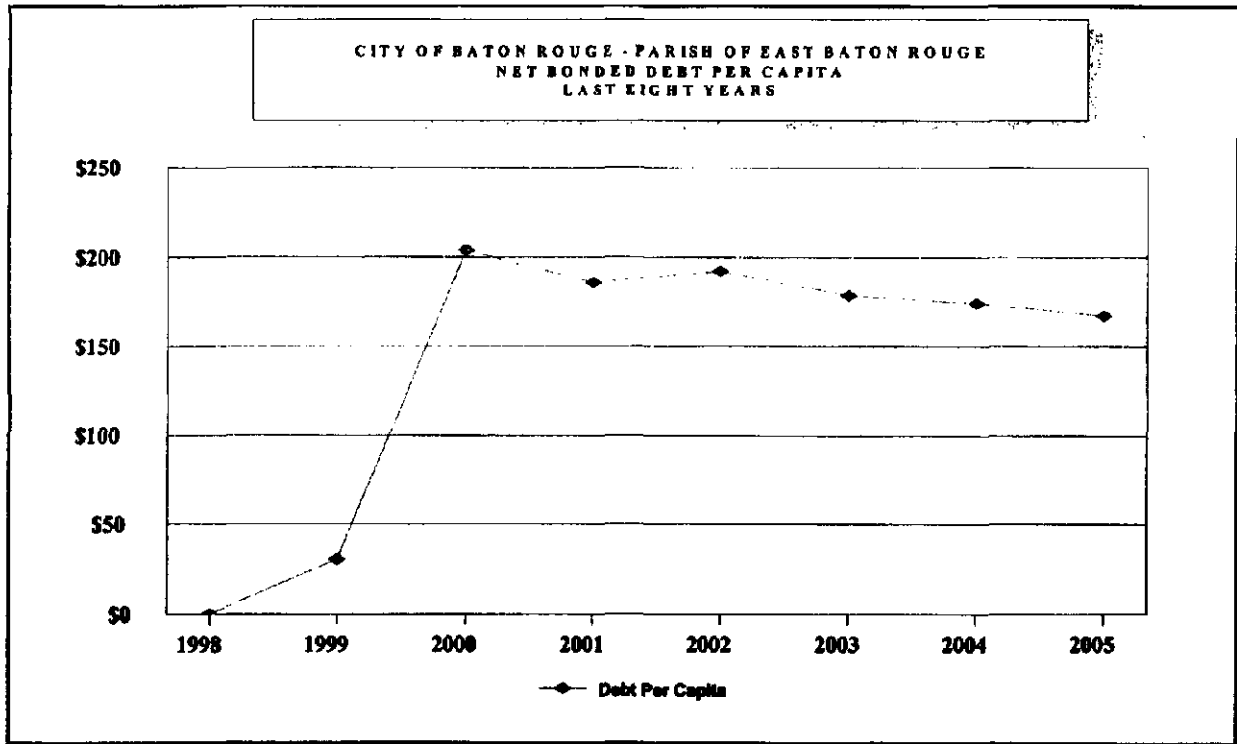
(5) Reserve established for variable rate taxable bonds that were converted to a fixed rate in year 2003.

Note: Entity-wide accrual information available for only eight years.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT I - 14
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2005**

	<u>Gross Debt Outstanding</u>	<u>Amounts in Debt Service Fund For Principal</u>	<u>Net Debt Outstanding</u>
<u>City of Baton Rouge:</u>			
2002A Fixed Rate Taxable Refunding	\$ 23,895,000	\$ --	\$ 23,895,000
2002B Fixed Rate Taxable Refunding	44,405,000	--	44,405,000
<u>Parish of East Baton Rouge:</u>			
LA Community Development Authority	1,460,055	--	1,460,055
Total direct debt	<u>69,760,055</u>	--	<u>69,760,055</u>
<u>Overlapping Debt:</u>			
City of Baker	1,190,000	1,102,332	87,668
City of Zachary	2,160,412	--	2,160,412
Hospital Service District No. 1 (Lane Memorial Hospital)	7,959,506	1,362,428	6,597,078
St. George Fire Protection District	1,428,590	--	1,428,590
Central Fire Protection District No. 4	1,944,444	--	1,944,444
Eastside Fire Protection District	300,000	--	300,000
East Baton Rouge Parish School System	1,718,183	--	1,718,183
Port of Greater Baton Rouge	7,107,744	758,815	6,348,929
Total overlapping debt	<u>23,808,879</u>	<u>3,223,575</u>	<u>20,585,304</u>
Total direct and overlapping debt	<u>\$ 93,568,934</u>	<u>\$ 3,223,575</u>	<u>\$ 90,345,359</u>
2005 Population			
Per Capita			

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

<u>Parish</u>		<u>City</u>	
<u>Percent</u>	<u>Share of Debt</u>	<u>Percent</u>	<u>Share of Debt</u>
100 %	\$ 23,895,000	100 %	\$ 23,895,000
100	44,405,000	100	44,405,000
100	<u>1,460,055</u>	44	<u>642,424</u>
	<u>69,760,055</u>		<u>68,942,424</u>
100	87,668	--	--
100	2,160,412	--	--
100	6,597,078	--	--
100	1,428,590	--	--
100	1,944,444	--	--
100	300,000	--	--
100	1,718,183	44	756,001
100	<u>6,348,929</u>	100	<u>6,348,929</u>
	<u>20,585,304</u>		<u>7,104,930</u>
	<u>\$ 90,345,359</u>		<u>\$ 76,047,354</u>
	<u>417,218</u>		<u>231,961</u>
	<u>\$217</u>		<u>\$328</u>

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
LEGAL DEBT MARGIN CALCULATION
GENERAL OBLIGATION DEBT
LAST TEN YEARS**

EXHIBIT I - 16

CITY OF BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2005	\$132,438,497	\$198,657,746	\$463,534,740	\$ --	\$463,534,740
2004	128,409,791	192,614,686	449,434,268	--	449,434,268
2003	120,484,308	180,726,461	421,695,077	--	421,695,077
2002	115,380,955	173,071,433	403,833,343	--	403,833,343
2001	112,864,103	169,296,154	395,024,360	--	395,024,360
2000	110,712,337	166,068,505	387,493,178	--	387,493,178
1999	104,999,871	157,499,807	367,499,549	--	367,499,549
1998	101,913,524	152,870,286	356,697,334	--	356,697,334
1997	97,100,965	145,651,448	339,853,378	--	339,853,378
1996	93,217,154	139,825,731	326,260,039	--	326,260,039

PARISH OF EAST BATON ROUGE					
Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2005	\$301,203,178	\$451,804,767	no limit	\$ --	\$451,804,767
2004	288,503,566	432,755,349	no limit	--	432,755,349
2003	266,927,400	400,391,099	no limit	--	400,391,099
2002	253,360,540	380,040,810	no limit	--	380,040,810
2001	243,745,822	365,618,733	no limit	--	365,618,733
2000	232,408,931	348,613,397	no limit	--	348,613,397
1999	219,614,925	329,422,388	no limit	--	329,422,388
1998	211,052,394	316,578,591	no limit	--	316,578,591
1997	198,491,676	297,737,514	no limit	775,000 (1)	296,962,514
1996	186,429,196	279,643,794	no limit	1,950,182 (1)	277,693,612

- (1) 1965 Capital Improvements Program - roads and street purposes.
There was also an outstanding drainage issue -- \$525,000 in 1997, and \$1,831,027 in 1996.
All general obligation debt was retired in 1998.

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to incur debt and issue bonds for sewerage purposes up to a maximum of 15% of the assessed valuation of the taxable property in such subdivision. Louisiana Revised Statutes limit the Parish's bonded debt for other purposes to 10% of the assessed valuation of the taxable property for a single purpose. The City's limit includes a 35% maximum for all purposes.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

EXHIBIT I - 17

SCHEDULE A- PUBLIC IMPROVEMENT SALES TAX - SEWER (1/2%)

Year	Gross Revenue (2)	Expenses (3)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2005	\$37,031,493	\$358,351	\$36,673,142	\$9,380,000	\$10,821,825	\$20,201,825	1.82
2004	32,095,064	324,153	31,770,911	8,740,000	10,902,942	19,642,942	1.62
2003	31,739,091	284,602	31,454,489	7,785,000	12,185,787	19,970,787	1.58
2002	30,745,621	284,997	30,460,624	7,210,000	13,868,884	21,078,884	1.45
2001	30,417,224	265,929	30,151,295	6,630,000	13,408,005	20,038,005	1.50
2000	31,209,926	289,000	30,920,926	6,110,000	13,924,207	20,034,207	1.54
1999	30,466,913	323,639	30,143,274	4,810,000	11,604,018	16,414,018	1.84
1998	29,939,127	313,501	29,625,626	4,444,000	12,397,987	16,841,987	1.76
1997	28,111,049	310,592	27,800,457	4,080,000	12,752,811	16,832,811	1.65
1996	27,378,976	289,369	27,089,607	3,605,000	12,168,515	15,773,515	1.72

SCHEDULE B - CITY SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2005	\$88,998,396	\$ --	\$88,998,396	\$10,395,000	\$5,405,585	\$15,800,585	5.63
2004	77,644,392	--	77,644,392	9,850,000	5,813,785	15,663,785	4.96
2003	78,348,495	--	78,348,495	9,210,000	6,274,835	15,484,835	5.06
2002	77,319,666	--	77,319,666	8,565,000	6,560,011	15,125,011	5.11
2001	78,508,665	--	78,508,665	7,035,000	5,903,227	12,938,227	6.07
2000	78,274,925	--	78,274,925	5,620,000	6,336,631	11,956,631	6.55
1999	79,171,844	--	79,171,844	6,000,000	5,421,613	11,421,613	6.93
1998	77,582,757	360,000	77,222,757	5,640,000	7,548,727	13,188,727	5.86
1997	80,565,270	--	80,565,270	5,860,000	7,312,606	13,172,606	6.12
1996	77,653,910	--	77,653,910	5,385,000	7,783,874	13,168,874	5.90

SCHEDULE C - PARISH SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2005	\$61,485,795	\$ --	\$61,485,795	\$545,000	\$95,522	\$640,522	95.99
2004	56,756,746	--	56,756,746	525,000	116,522	641,522	88.47
2003	52,238,042	--	52,238,042	505,000	144,747	649,747	80.40
2002	48,233,190	--	48,233,190	470,000	156,952	626,952	76.93
2001	45,601,245	--	45,601,245	440,000	176,072	616,072	74.02
2000	44,821,104	--	44,821,104	320,000	189,993	509,993	87.89
1999	43,959,488	--	43,959,488	340,000	156,853	496,853	88.48
1998	42,429,476	88,591	42,340,885	315,000	340,777	655,777	64.57
1997	34,683,096	--	34,683,096	295,000	361,042	656,042	52.87
1996	32,626,109	--	32,626,109	275,000	379,217	654,217	49.87

Source: Audited financial records and official statement for debt offerings.

- (1) Fiscal charges included
- (2) Total sales tax revenues plus interest earnings on sales tax revenues
- (3) Total sales tax collection costs
- (4) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
- (5) Refunding bond issuance costs

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

EXHIBIT I - 18

Year	Popu- lation (1)	Personal Income (3)	Per Capita Personal Income (3)	Median Age (1)	Public School Enrollment (4)	EBR Parish Unemploy- ment Rate (5)	Labor Market Area Unemploy- ment Rate (6)
2005	417,218	\$13,129,016,024	\$31,468	31.9	52,952	5.6 (7)	5.3 (7)
2004	416,492	12,761,731,372	30,641	31.5	46,675	5.0	5.4
2003	416,881	12,417,217,466	29,786	30.4	52,309	5.8	6.5
2002	414,833	12,034,305,330	29,010	31.5	52,570	5.0	5.6
2001	414,040	11,428,332,080	27,602	31.5	51,258	4.9	5.5
2000	412,852 (2)	10,995,487,316	26,633	31.5	52,213	4.2	4.8
1999	399,105	10,161,612,405	25,461	29.9	54,443	3.7	4.0
1998	396,556	9,911,917,220	24,995	29.9	55,507	4.3	4.6
1997	396,331	9,268,993,097	23,387	29.9	53,379	5.1	5.3
1996	399,992	9,162,616,744	22,907	29.9	55,970	5.3	5.8

Source: All information is parish-wide.

- (1) Estimates - Louisiana Tech University for the U.S. Bureau of Census
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis
- (4) East Baton Rouge Parish School Board, Baker School Board, and Zachary School Board
- (5) Louisiana Department of Labor - Benchmark rates for East Baton Rouge Parish only - These data are disaggregated using claims for unemployment compensation and population sharing ratios which are applied to present market area estimates and are valid only for the allocation of manpower revenue sharing funds.
- (6) Louisiana Department of Labor - Baton Rouge Metropolitan Statistical Area (MSA).
Includes East Baton Rouge, West Baton Rouge, Livingston, Ascension, East Feliciana, Iberville, Pointe Coupee, St. Helena, and West Feliciana Parishes. East Baton Rouge serves as the focus of employment for surrounding parishes.
- (7) Preliminary figures

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EXHIBIT I - 19

2005		1996	
Employer	Industry Type	Employer	Industry Type
ExxonMobil Corporation	Petroleum Products Chemical Products Plastic Products	ExxonMobil Corporation	Petroleum Products Chemical Products Plastic Products
Louisiana State Government	Government	Louisiana State Government	Government
Louisiana State University-Baton Rouge	University	Louisiana State University-Baton Rouge	University
Southern University-Baton Rouge	University	Southern University-Baton Rouge	University
East Baton Rouge Parish School Board	Government	East Baton Rouge Parish School Board	Government
City-Parish Government	Government	City-Parish Government	Government
Baton Rouge General Medical Center	Hospital	Baton Rouge General Medical Center	Hospital
Our Lady of the Lake Regional Medical Center	Hospital	Our Lady of the Lake Regional Medical Center	Hospital
Performance Contractors	Construction	Walmart Stores, Inc.	Retail
Casino Rouge	Riverboat Gaming	International Maintenance Corporation	Construction
Port Hudson Pulp Mill	Paper Mill	Harmony Corporation	Construction
U. S. Veterans Medical Center	Hospital	Fluor Daniel Services Corporation	Construction

Includes firms with 1,000 or more employees.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
FULL-TIME EQUIVALENT CITY-PARISH EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees Allotted in Annual Budget			
	2005	2004	2003	2002
GENERAL FUND:				
Anti-Drug Task Force	4.00	4.00	4.00	4.00
Citizens Service	--	1.00	1.00	1.00
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	144.50	144.50	144.50	146.00
Community Centers	20.55	20.55	20.55	20.55
Coroner	--	--	--	--
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	5.00	5.00	6.00	6.00
EMS - Prison Medical Services	33.00	33.00	33.00	33.00
EMS - Telecommunications	8.50	8.50	8.50	8.50
Finance	111.00	111.00	111.00	111.00
Fire - (City Fire Department Only)	581.00	581.00	582.00	583.00
Human Development & Services	8.92	8.50	8.50	9.50
Human Resources	37.75	41.75	42.00	41.00
Information Services	34.00	34.00	33.00	33.00
Juvenile Services	82.00	85.00	85.00	85.00
Mayor-President	11.00	10.00	9.00	9.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	99.00	95.00	95.00	97.50
Planning Commission	22.00	22.00	22.00	22.00
Police (City Police Only)	836.00	836.00	837.00	837.00
Public Information Office	3.00	3.00	3.00	4.00
Public Works	667.00	667.00	670.00	678.00
Purchasing	13.00	13.00	13.00	14.00
TOTAL GENERAL FUND	2,803.22	2,805.80	2,810.05	2,825.05
SPECIAL FUNDS:				
Library Board of Control Major Fund	303.75	268.00	268.00	261.50
Grants Major Fund	332.43	322.09	324.31	329.11
Comprehensive Sewerage System Major Fund	341.00	342.00	342.00	342.00
G. B. R. Airport District Major Fund	88.73	88.73	87.73	85.00
Non-Major Funds:				
Animal Control Center	19.00	19.00	19.00	18.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	4.00	9.00	9.00	9.00
Downtown Development District	4.00	4.00	4.00	4.00
Emergency Medical Services	137.00	137.00	136.00	135.00
Employees' Retirement System	12.00	13.00	12.00	12.00
E.B.R. Parish Communications District	37.50	37.50	37.50	33.50
Gaming Enforcement Division	1.00	1.00	1.00	2.00
G. B. R. Parking Authority	9.00	9.00	9.00	9.00
Mosquito Abatement and Rodent Control	31.00	31.00	30.00	28.00
Parish Street Maintenance	3.00	3.00	1.00	1.00
Baton Rouge River Center	--	--	--	--
Solid Waste Disposal Facility	10.00	9.00	9.00	9.00
TOTAL SPECIAL FUNDS	1,378.41	1,338.32	1,334.54	1,323.11
TOTAL ALL FUNDS	4,181.63	4,144.12	4,144.59	4,148.16

(1) The Coroner became a separate component unit in 2001.

(2) The operations of the Baton Rouge River Center were contracted out to a private company in 1997.

Full-time Equivalent Employees Allotted in Annual Budget

2001	2000	1999	1998	1997	1996
4.00	3.00	3.00	--	--	--
7.00	7.00	7.00	7.00	9.00	9.00
40.00	40.00	40.00	40.00	40.00	35.00
146.00	148.50	145.00	145.00	140.00	136.50
20.55	19.55	18.55	18.05	18.55	18.38
-- (1)	10.00	10.40	10.40	10.40	9.40
44.00	44.00	44.00	45.00	45.00	45.00
6.00	6.00	5.00	5.00	5.00	6.00
33.00	27.40	27.00	27.00	23.00	22.00
8.50	9.50	9.50	9.50	13.50	14.00
120.00	120.00	120.00	120.00	126.00	126.00
585.00	585.00	583.00	582.00	582.00	575.00
10.50	10.50	10.50	10.50	10.50	10.50
47.00	47.00	49.00	50.00	55.00	55.00
33.00	33.00	33.00	33.00	33.00	31.00
85.00	85.00	83.00	83.00	83.00	82.00
10.00	12.00	11.00	11.00	11.00	11.00
1.00	1.00	1.00	1.00	--	--
100.50	99.50	98.50	94.50	89.50	87.50
22.00	22.00	22.00	21.00	19.00	18.00
840.00	840.25	840.25	837.25	836.25	826.75
3.00	3.00	3.00	3.00	3.00	3.00
704.00	713.25	714.25	717.25	731.00	729.00
20.00	20.00	20.00	20.00	20.00	20.00
<u>2,890.05</u>	<u>2,906.45</u>	<u>2,897.95</u>	<u>2,890.45</u>	<u>2,903.70</u>	<u>2,870.03</u>
261.50	252.25	250.25	248.25	247.25	243.25
306.79	320.65	321.35	323.10	320.10	353.00
351.00	354.00	356.00	361.00	365.00	362.00
79.73	77.00	74.00	75.00	74.00	69.00
18.00	18.00	18.00	18.00	17.00	17.00
46.00	49.00	49.00	49.00	53.00	53.00
9.00	9.00	9.00	9.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
135.00	125.00	124.00	120.00	108.00	98.00
13.00	12.00	12.00	12.00	12.00	11.00
33.50	33.50	31.50	31.50	31.50	31.00
2.00	7.00	7.00	7.00	7.00	7.00
9.00	9.00	9.00	9.00	9.00	10.00
27.00	27.00	26.00	26.00	24.00	24.00
1.00	1.00	1.00	2.00	1.00	1.00
--	--	--	--	-- (2)	29.00
10.00	11.00	12.00	12.00	12.00	12.00
<u>1,306.52</u>	<u>1,309.40</u>	<u>1,304.10</u>	<u>1,306.85</u>	<u>1,287.85</u>	<u>1,327.25</u>
<u>4,196.57</u>	<u>4,215.85</u>	<u>4,202.05</u>	<u>4,197.30</u>	<u>4,191.55</u>	<u>4,197.28</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function:	FISCAL YEAR			
	2005	2004	2003	2002
Public Safety:				
Police				
Physical arrests(3)	12,182 (4)	11,035	7,768	8,406
Parking violations	19,481 (4)	14,613	13,406	9,852
Traffic violations (6)	65,071 (4)	38,543	41,077	41,857
Fire				
Number of responses	26,498	22,955	21,152	21,051
Inspections	12,810	20,736	15,965	16,315
Emergency Medical Services				
Number of emergency responses	49,583	43,592	40,902	40,248
Number of patient transports	26,306	23,935	23,825	24,071
Communications district				
Number of 911 calls (in thousands)	353,000 (8)	311,000	310,000	343,000
Transportation				
Parish street maintenance program				
Number of miles of new	10	2	6	5
Rehab streets and roads	40	45	46	49
Number of potholes repaired	165	242	202	177
Airport				
Number of enplanements	523,417	375,412	362,766	380,503
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	22,251	26,169	22,046	23,513
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (10)	1,379	1,434	1,551	1,621
Culture-Recreation				
Libraries				
Total registered borrowers	316,977	289,681	288,616 (1)	128,769
Total items circulated	2,440,000	2,573,393	2,486,503	2,357,979
Total reference questions answered	615,534	574,936	599,013	629,419
New branch libraries opened	3	1	--	1

Notes:

- (1) Library card registration drive at public and private schools, malls, fairs, festivals, universities, etc.
- (2) Cardholders who had not used cards in past 3 years were purged in 1997 and again in 2001.
- (3) Physical arrests; fingerprint process, summons not included
- (4) Through November 2005
- (5) Automated Fingerprint Identification System
- (6) Moving violations
- (7) Increase in calls due to the serial killer investigation in 2001.
- (8) Increase in calls due to Hurricanes Katrina and Rita in 2005.
- (9) 1/2 % Road Improvement Sales Tax rededicated partially for maintenance
- (10) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.

FISCAL YEAR					
2001	2000	1999	1998	1997	1996
9,040	9,729	9,173	9,240	3,276 (5)	NA
16,458	11,837	18,223	NA	NA	NA
43,926	59,936	83,537	NA	NA	NA
20,993	21,604	26,228	25,983	25,999	26,145
17,626	15,617	28,182	18,795	18,523	14,437
39,051	38,373	37,845	37,108	36,550	35,075
22,980	23,062	22,848	21,907	21,187	19,867
348,000 (7)	310,000	300,000	275,000	275,000	260,000
6	14	11	8	6	5
51	58	50 (9)	95	126	162
218	120	84	NA	NA	NA
379,843	435,233	426,716	462,937	474,774	448,606
22,432	19,769	19,081	24,578	27,088	24,136
1,600	1,515	1,416	1,455	1,416	1,280
130,419 (2)	253,192	247,000	178,949	181,652 (2)	217,915
2,293,539	2,255,357	2,299,948	2,407,161	2,439,365	2,445,611
616,437	589,435	587,670	615,607	425,906	413,470
2	--	--	--	2	--

Sources:**City only:**

Baton Rouge Police Department

Baton Rouge Fire Department

Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Department of Public Works

GBR Airport District

EBR Parish Library

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Major Programs	FISCAL YEAR				
	2005	2004	2003	2002	2001
General Government					
Number of general government buildings	10	10	10	10	10
Public Safety					
Number of police stations	5	5	5	5	5
Police patrol units	789	774	632	503	N/A
Number of fire stations	19	19	19	19	19
Fire trucks	38	38	38	38	38
Number of EMS stations	11	11	11	11	11
Ambulances	20	20	20	20	20
Correction facilities	2	2	2	2	2
Transportation					
Miles of streets	1,750	1,741	1,734	1,727	1,720
Number of streetlights	34,725	34,725	34,725	34,508	34,508
Number of traffic signals	463	458	453	448	443
Sanitation					
Miles of sanitary sewers	1,914	1,910	1,901	1,896	1,887
Miles of storm sewers	14	3	7	5	8
Culture and Recreation					
Number of library branches	13	13	13	13	13
Number of community centers	6	6	6	6	6
Conservation and Development					
Number of Headstart centers	7	7	5	5	5
Health and Welfare					
Number of Health and Welfare buildings	7	7	7	7	7

Sources:

City only:

 Baton Rouge Fire Department

Parish-wide:

 EBR Parish Emergency Medical Services

 EBR Parish Communications District

 City-Parish Department of Public Works

 EBR Parish Library

City Parish Fixed Asset Records

FISCAL YEAR				
2000	1999	1998	1997	1996
10	10	10	10	10
5	5	5	5	5
N/A	N/A	N/A	N/A	N/A
19	19	19	19	19
38	38	38	36	36
11	9	9	9	9
20	18	18	18	18
2	2	2	2	2
1,713	1,706	1,699	1,692	1,685
34,508	34,363	34,187	34,117	34,302
438	433	428	423	418
1,879	1,866	1,850	1,839	1,831
14	10	7	5	4
13	13	13	13	12
6	6	6	6	6
4	4	4	4	4
7	7	7	7	7



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

DECEMBER 31, 2005





Postlethwaite & Netterville

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

We have audited the financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2005, and have issued our report thereon dated May 26, 2006, which includes a reference to the report of other auditors and an explanatory paragraph regarding continued implementation of Governmental Accounting Standards Board Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City-Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in internal control over financial reporting that, in our judgment, could adversely affect the City-Parish's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned cost as item 2005-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition referred to above is not a material weakness. Additionally, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City-Parish in a separate letter dated May 26, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the City-Parish are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, Louisiana
May 26, 2006



Postlethwaite & Netterville

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor-President
And Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Compliance

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

The City-Parish's basic financial statements include those of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the System), and the Capital Region Planning Commission (the Commission), all presented as component units. These entities expended \$791,551, \$7,330,536 and \$951,814 of federal grant funding during their most recent respective fiscal years ending during 2005, that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2005. Our audit of compliance, described below, did not include the programs of the District Attorney, the System and the Commission, as those entities were audited under separate engagements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2005-2, 2005-4, 2005-5, 2005-7, 2005-8 and 2005-9.

Internal Control Over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005-3, 2005-6, 2005-7 and 2005-9.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City-Parish as of and for the year ended December 31, 2005, and have issued our report thereon dated May 26, 2006, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2005 as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Metropolitan Council, the City-Parish management, federal and state awarding agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Passalunghi + Metterville

Baton Rouge, Louisiana
May 26, 2006

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>FEDERAL EXPENDITURES</u>	<u>LOCAL EXPENDITURES</u>	<u>TOTAL</u>
<u>FEDERAL AGENCY - SCHEDULE A</u>			
U.S. Department of Housing and Urban Development	\$ 11,285,756	\$ 394,467	\$ 11,680,223
U.S. Department of Health and Human Services	10,752,065	2,747	10,754,812
Department of Homeland Security	20,825,197	317,377	21,142,574
Federal Emergency Management Agency	23,678	--	23,678
U.S. Department of Transportation - FTA	322,349	80,432	402,781
U.S. Department of Transportation - FHWA	2,582,850	1,039,912	3,622,762
U.S. Department of Transportation - National Highway Traffic Safety Administration	66,343	--	66,343
U.S. Department of Energy	139,374	--	139,374
U.S. Department of Agriculture	2,067,820	--	2,067,820
U.S. Department of Labor	7,562,097	--	7,562,097
U. S. Department of Justice	1,198,301	44,154	1,242,455
U. S. Environmental Protection Agency	99,615	--	99,615
National Endowment for the Humanities	17,289	--	17,289
TOTAL FEDERAL AGENCY - SCHEDULE A	<u>\$ 56,942,734</u>	<u>\$ 1,879,089</u>	<u>\$ 58,821,823</u>
<u>FEDERAL AGENCY - SCHEDULE B</u>			
U.S. Department of Transportation - FAA	\$ 12,851,659	\$ --	\$ 12,851,659
Department of Homeland Security	90,658	--	90,658
U.S. Department of Health and Human Services	347,874	726,177	1,074,051
U. S. Environmental Protection Agency	5,800,265	185,135	5,985,400
TOTAL FEDERAL AGENCY - SCHEDULE B	<u>\$ 19,090,456</u>	<u>\$ 911,312</u>	<u>\$ 20,001,768</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE A

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
FEDERAL GRANTS						
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
<u>Direct Programs:</u>	121004					
Community Development:						
Block Grant - 1990	182..431602	14.218	B-90-MC-22-0002	\$ 44,372	\$	\$ 44,372
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	6,592	--	6,592
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	64,745	--	64,745
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	128,342	--	128,342
Block Grant - 1999	182..431602	14.218	B-99-MC-22-0002	30,533	--	30,533
Block Grant - 2000	182..431602	14.218	B-00-MC-22-0002	169,924	--	169,924
Block Grant - 2001	182..431602	14.218	B-01-MC-22-0002	305,005	1,813	306,818
Block Grant - 2002	182..431602	14.218	B-02-MC-22-0002	473,513	170,224	643,737
Block Grant - 2003	182..431602	14.218	B-03-MC-22-0002	248,283	538	248,821
Block Grant - 2004	182..431602	14.218	B-04-MC-22-0002	2,754,676	15,892	2,770,568
Block Grant - 2005	182..431602	14.218	B-05-MC-22-0002	813,347	4,000	817,347
SUBTOTAL CFDA NUMBER 14.218				5,039,332	192,467	5,231,799
Home Grant - 1992	183..431602	14.239	M-92-MC-22-0204	--	202,000	202,000
Home Grant - 1998	183..431602	14.239	M-98-MC-02-0204	3,964	--	3,964
Home Grant - 1999	183..431602	14.239	M-99-MC-02-0204	43,248	--	43,248
Home Grant - 2000	183..431602	14.239	M-00-MC-02-0204	138,327	--	138,327
Home Grant - 2001	183..431602	14.239	M-01-MC-02-0204	606,736	--	606,736
Home Grant - 2002	183..431602	14.239	M-02-MC-02-0204	224,187	--	224,187
Home Grant - 2003	183..431602	14.239	M-03-MC-02-0204	225,890	--	225,890
Home Grant - 2004	183..431602	14.239	M-04-MC-02-0204	658,336	--	658,336
Home Grant - 2005	183..431602	14.239	M-05-MC-02-0204	3,000	--	3,000
SUBTOTAL CFDA NUMBER 14.239				1,903,688	202,000	2,105,688
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B97-01	58,607	--	58,607
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B90-40	169,233	--	169,233
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B00-40	51,835	--	51,835
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B10-40	164,466	--	164,466
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B20-40	12,846	--	12,846
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B30-40	588,114	--	588,114
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B40-40	367,737	--	367,737
SUBTOTAL CFDA NUMBER 14.235				1,412,838	--	1,412,838

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED):</u>						
HOPWA Grant - 2002	185.431602	14.241	LAH02F002	\$ 10,568	\$ --	\$ 10,568
HOPWA Grant - 2003	185.431602	14.241	LAH03F002	64,208	--	64,208
HOPWA Grant - 2004	185.431602	14.241	LAH04F002	1,024,989	--	1,024,989
HOPWA Grant - 2005	185.431602	14.241	LAH05F002	2,243	--	2,243
SUBTOTAL CFDA NUMBER 14.241				1,102,008	--	1,102,008
Emergency Shelter 2003-05	182.431602	14.231	S-03-MC-22-0002	76,331	--	76,331
Emergency Shelter 2004-06	182.431602	14.231	S-04-MC-22-0002	101,299	--	101,299
<u>Passed through Louisiana Department of Social Services</u>						
	121109					
Emergency Shelter	170.432602	14.231	03/05	36,710	--	36,710
Emergency Shelter	170.432602	14.231	04/06	75,791	--	75,791
SUBTOTAL CFDA NUMBER 14.231				290,131	--	290,131
<u>121004</u>						
Sharlo Terrace - 1994	170.431602	14.156	LA-48-0046-009	1,283	--	1,283
Sharlo Terrace - 2004	170.431602	14.156	LA-48-0046-009	4,982	--	4,982
Sharlo Terrace - 2005	170.431602	14.156	LA-48-0046-009	320,084	--	320,084
Section 8 - Existing	170.431602	14.156	LA-48-B003-001/004	(24)	--	(24)
Moderate Housing Assistance IV - 2004	170.431602	14.156	LA-219-CEO-001-008	(63,632)	--	(63,632)
Section 8 Vouchers Program - 2000	170.431602	14.156	LA-219-CEO-001-008	1,191	--	1,191
Section 8 Vouchers Program - 2004	170.431602	14.156	LA-219-CEO-001-008	110,927	--	110,927
Section 8 Vouchers Program - 2005	170.431602	14.156	LA-219-CEO-001-008	1,131,875	--	1,131,875
SUBTOTAL CFDA NUMBER 14.156				1,506,686	--	1,506,686
Katrina Disaster Housing Assistance Program	170.431602	14.871	LA-219-HR001	27,161	--	27,161
Parking Structure Feasibility Study	170.431602	14.276	B-01-SP-LA-0224	3,912	--	3,912
Total U.S. Department of Housing and Urban Development				11,285,756	394,467	11,680,223
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
	121006					
Metropolitan Medical Response System	170.431601	93.010051	233-01-0051	43,665	--	43,665
Headstart - 2004	160.431601	93.600	06CH006527	213,016	--	213,016
Headstart - 2005	160.431601	93.600	06CH006528	8,350,701	1,547	8,352,248
SUBTOTAL CFDA NUMBER 93.600				8,563,717	1,547	8,565,264
Medical Reserve Corps Grant	170.431601	93.008	US2SG03084-01-0	1,551	--	1,551
EBRP Jail Diversion Program	170.431601	93.243	IU79SM55091-01	150,229	--	150,229

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):</u>						
<u>Passed through Louisiana</u>						
<u>Housing Finance Agency</u>	121119					
Low Income Housing Energy Assistance	160.432401	93.568	2002	\$ 21,988	\$ --	\$ 21,988
Low Income Housing Energy Assistance	160.432401	93.568	12/03-6/06	47,604	--	47,604
Low Income Housing Energy Assistance	160.432401	93.568	02/03	4,201	--	4,201
Low Income Housing Energy Assistance	160.432401	93.568	04/05	11,191	1,200	12,391
Low Income Housing Energy Assistance	160.432401	93.568	2005	899,500	--	899,500
SUBTOTAL CFDA NUMBER 93.568				984,484	1,200	985,684
<u>Passed through Louisiana Department of Employment and Training</u>						
<u>Community Services Block Grant:</u>	121118					
BRACA	160.432604	93.569	CSBG-FY-04P0019	325,829	--	325,829
BRACA	160.432604	93.569	CSBG-FY-05P0019	648,890	--	648,890
SUBTOTAL CFDA NUMBER 93.569				974,719	--	974,719
<u>Passed through Louisiana Department of Military Affairs</u>						
<u>Regional Bioterrorism & Emergency Response Planning Grant</u>	121126					
	170.432103	93.283		33,700	--	33,700
Total U.S. Department of Health and Human Services				10,752,065	2,747	10,754,812
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Direct Programs:</u>						
	121008					
Assistance to Fire Fighters-Alsen	129.431102	97.044	EMW-2002-FG-06248	30,706	--	30,706
Assistance to Fire Fighters-BRFD	170.431102	97.044	EMW-2003-FG-08497	24,381	10,449	34,830
Assistance to Fire Fighters-Brownsfield	123.431102	97.044	EMW-2005-FG-09778	54,334	6,037	60,371
Assistance to Fire Fighters-BRFD	170.431102	97.044	EMW-2004-FG-05444	16,800	7,200	24,000
SUBTOTAL CFDA NUMBER 97.044				126,221	23,686	149,907
Metropolitan Medical Response System(MMRS)	170.431102	NA	233-01-0051	11,484	--	11,484
Metropolitan Medical Response System(MMRS)	170.431102	97.071	EMW-2004-GR-0789	103,451	--	103,451
<u>Passed through Louisiana Department of Military Affairs</u>						
<u>Acq/Elev. Flood Mitigation Assistance</u>	121126					
E.B.R. Flood Property Acquisition	170.432103	97.039		628	--	628
	170.432103	97.039		(269)	--	(269)
HMGP-Hurricane Lili-Tropical Storm Isidore	170.432103	97.039		8,750	--	8,750
SUBTOTAL CFDA NUMBER 97.039				9,109	--	9,109
Urban Areas Security Initiative Grant	170.432103	97.008		759,497	--	759,497

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
DEPARTMENT OF HOMELAND SECURITY (CONTINUED):						
<u>Passed through Louisiana</u>						
<u>Department of Military Affairs</u>						
Citizen Corps Council Grant (CERT)	170..432103	97.053		\$ 4,918	\$ --	\$ 4,918
Supplemental Planning Grant	170..432103	83.562		317	--	317
Emergency Preparedness Regional Planning	170..432103	83.562		1,286	--	1,286
SUBTOTAL CFDA NUMBER 83.562				1,603	--	1,603
Hurricane Katrina	172..432103	97.036		19,298,815	293,691	19,592,506
Hurricane Rita	172..432103	97.036		3,524	--	3,524
<u>Passed through Louisiana</u>						
<u>Department Of Public Safety</u>						
Local Domestic Preparedness Equipment Grant	170..432104	97.004		394,417	--	394,417
State Homeland Security Program Grant	170..432104	97.004	FY2004	111,870	--	111,870
Urban Search and Rescue Funding	170..432104	97.004		288	--	288
SUBTOTAL CFDA NUMBER 97.004				506,575	--	506,575
Total Department of Homeland Security				20,825,197	317,377	21,142,574
FEDERAL EMERGENCY MANAGEMENT AGENCY						
<u>Passed through United Way of America</u>						
Emergency Shelter (FEMA)	160..434602	97.024	LRO 361400-001	23,678	--	23,678
U.S. DEPARTMENT OF TRANSPORTATION						
<u>Direct Programs:</u>						
<u>Federal Transit Administration:</u>						
	121003					
Capital Assistance - 1988	170..431202	20.507	LA-90-0079	132,838	33,211	166,049
Capital Assistance - 1997	170..431202	20.507	LA-90-0183	159,409	39,696	199,105
Capital Assistance - 1998	170..431202	20.507	LA-90-0198	24,070	6,017	30,087
Capital Assistance - 1999	170..431202	20.507	LA-90-0208	6,032	1,508	7,540
Total U.S. Department of Transportation- FTA				322,349	80,432	402,781
U.S. DEPARTMENT OF TRANSPORTATION - FHWA						
<u>Passed through Louisiana Department of Transportation and Development -</u>						
<u>Office of Highways</u>						
	121101					
Millerville Rd - I-12 & Old Hammond	341..432200	20.205	700-19-44	30,079	--	30,079
Groom Road	341..432200	20.205	700-30-0245	7,544	1,886	9,430
Flannery Rd @ Florida Blvd	341..432200	20.205	700-17-0118	6,089	1,522	7,611
Signal Replacement Florida/Perkins/Airline	341..432200	20.205	742-17-0114	105,619	--	105,619
Signal Synchronization System-Phase IV	341..432200	20.205	700-17-0172	191,731	--	191,731
Jones Creek Rd (Tiger Bend to Coursey)	341..432200	20.205	742-17-0131	119,136	29,784	148,920
Nicholson Dr@Brightside Lane/West Lee	341..432200	20.205	742-17-0130	66,630	16,657	83,287
North Sherwood Forest Blvd. Improve	341..432200	20.205	700-26-0078	135,294	33,824	169,118
Millerville Road Improvements	341..432200	20.205	742-17-0136	287,038	71,760	358,798

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION - FHWA (CONTINUED):</u>						
<u>Passed through Louisiana Department of Transportation and Development - Office of Highways (Continued):</u>						
Jefferson Hwy @ Barringer Foreman Road	341..432200	20.205	742-17-0138	\$ 965,005	\$ 248,871	\$ 1,213,876
Jefferson @ Antioch & Barringer Foreman @ Airline	341..432200	20.205	742-17-0138	209,894	52,473	262,367
S. Sherwood @ I-12 - Phase I	341..432200	20.205		--	46,066	46,066
River Rd. Levee Bike Path	341..432200	20.205	744-17-0021	458,791	537,069	995,860
Total U.S. Department of Transportation - FHWA				2,582,850	1,039,912	3,622,762
<u>U.S. DEPARTMENT OF TRANSPORTATION- NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>						
<u>Passed through Louisiana Department of Transportation and Development</u>						
<u>Passed through Capital Region Planning Commission</u>						
	121425					
Transportation Planning 2004-05	170..434101	20.505	PL-736-17-0336	35,755	--	35,755
CRPC - Travel Demand Model Project	170..434101	20.505		12,500	--	12,500
CRPC - Travel Demand Model Project	170..434101	20.505		5,625		5,625
SUBTOTAL CFDA NUMBER 20.505				53,880	--	53,880
<u>Passed through Louisiana Department of Military Affairs</u>						
HMEP Grant Program	170..432103	20.703		12,463	--	12,463
Total U.S. Department of Transportation National Highway Traffic Safety Administration				66,343	--	66,343
<u>U.S. DEPARTMENT OF ENERGY</u>						
<u>Passed through Louisiana Housing Finance Agency</u>						
	121119					
Weatherization Assistance Program	170..432401	81.042	2004	89,670	--	89,670
Weatherization Assistance Program	170..432401	81.042	2005	49,704	--	49,704
Total U.S. Department of Energy				139,374	--	139,374
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<u>Passed through Louisiana Department of Social Services</u>						
	121109					
LAJET	170..432602	10.561	03/04	(2,210)	--	(2,210)
LAJET	170..432602	10.561	04/05	167,803	--	167,803
LAJET	170..432602	10.561	04/05	74,000	--	74,000
SUBTOTAL CFDA NUMBER 10.561				239,593	--	239,593
<u>Passed through Louisiana Department of Education</u>						
	121110					
National School Lunch Program	001..432106	10.555	2005	20,402	--	20,402
School Breakfast Program	001..432106	10.553	2005	31,670	--	31,670
See Notes to Schedule of Expenditures of Federal Awards.						

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE A
(Continued)**

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF AGRICULTURE (CONTINUED):</u>						
<u>Passed through Louisiana</u>						
<u>Department of Education (Continued)</u>						
Headstart Food 2004-05	160.432607	10.558	04/05	\$ 516,047	\$ --	\$ 516,047
Headstart Food 2005-06	160.432607	10.558	05/06	305,465	--	305,465
SUBTOTAL CFDA NUMBER 10.558				821,512	--	821,512
Summer Food	170.432607	10.559	04	954,643	--	954,643
Total U.S. Department of Agriculture				2,067,820	--	2,067,820
<u>U.S. DEPARTMENT OF LABOR</u>						
<u>Passed through Louisiana</u>						
<u>Department of Labor</u>						
	121118					
WIA- Administration	161.432604	NA	FY2004	149,733	--	149,733
WIA- Administration	161.432604	NA	PY2004	199,806	--	199,806
WIA- Administration	161.432604	NA	FY2005	131,113	--	131,113
SUBTOTAL CFDA NUMBER NA				480,652	--	480,652
WIA-Adult Program	161.432604	17.258	FY2005	724,363	--	724,363
WIA-Adult Program	161.432604	17.258	PY2005	187,374	--	187,374
WIA-Adult Program	161.432604	17.258	FY2006	503,088	--	503,088
SUBTOTAL CFDA NUMBER 17.258				1,414,825	--	1,414,825
WIA-Youth Program	161.432604	17.259	PY2003	1,549	--	1,549
WIA-Youth Program	161.432604	17.259	PY2004	1,108,631	--	1,108,631
WIA-Youth Program	161.432604	17.259	PY2005	404,805	--	404,805
WIA - State Incentive Funds	161.432604	17.259	PY2003	62,349	--	62,349
SUBTOTAL CFDA NUMBER 17.259				1,577,334	--	1,577,334
WIA-Dislocated Workers	161.432604	17.260	FY2003	12,289	--	12,289
WIA-Dislocated Workers	161.432604	17.260	FY2004	386,036	--	386,036
WIA-Dislocated Workers	161.432604	17.260	PY2004	310,458	--	310,458
WIA-Dislocated Workers	161.432604	17.260	FY2005	131,446	--	131,446
WIA - Adult Program-Transfer	161.432604	17.260	FY2005	300,000	--	300,000
WIA - Adult Program-Transfer	161.432604	17.260	FY2006	9,007	--	9,007
WIA - Adult Program-Transfer	161.432604	17.260	FY2003	235,380	--	235,380
WIA - Hurricane Katrina	161.432604	17.260	PY2005	2,274,017	--	2,274,017
WIA - Hurricane Katrina	161.432604	17.260	FY2006	337,274	--	337,274
SUBTOTAL CFDA NUMBER 17.260				3,995,907	--	3,995,907
TANF/STEP Grant	161.432604	93.558	PY2005	60,343	--	60,343
TANF/STEP Grant	161.432604	93.558	PY2004	33,036	--	33,036
SUBTOTAL CFDA NUMBER 93.558				93,379	--	93,379
Total U.S. Department of Labor				7,562,097	--	7,562,097

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U. S. DEPARTMENT OF JUSTICE						
<u>Direct Programs:</u>	121005					
Local Law Enforcement Block Grant	168..431103	16.592	2003-LB-BX-1644	\$ 48,193	\$ 5,987	\$ 54,180
Local Law Enforcement Block Grant	169..431103	16.592	2004-LB-BX-10491	81,536	9,060	90,596
SUBTOTAL CFDA NUMBER 16.592				129,729	15,047	144,776
Drug-Free Communities Program	170..431103	16.729	2001-JN-FX-0031	15,834	--	15,834
Drug-Free Communities Program	170..431103	16.729	2001-JN-FX-0031	62,679	--	62,679
SUBTOTAL CFDA NUMBER 16.729				78,513	--	78,513
Nunn-Lugar-Domenici Domestic Preparedness	170..431103	16.006	2002-TE-CX-0040	17,269	--	17,269
City Constable Domestic Violence Grant	170..431103	16.588	2003-WE-BX-0081	112,458	--	112,458
Edward-Bryne Memorial (JAG)	170..431103	16.738	2005-INWR-0007	28,800	--	28,800
Project Sentry	170..431103	16.609	2003-SE-CX-0008	106,335	--	106,335
Community Prosecution & Safe Neighborhood	170..431103	16.609	2003-GP-CX-0137	55,971	--	55,971
Project Safe Neighborhoods	170..431103	16.609	2003-GP-CX-0042	41,581	--	41,581
Project Safe Neighborhoods Comm. Outreach	170..431103	16.609	2003-GP-CX-0527	215,198	--	215,198
SUBTOTAL CFDA NUMBER 16.609				419,085	--	419,085
<u>Passed through Louisiana Commission on Law Enforcement:</u>						
	121116					
Drug Abuse Resistance Education	170..432102	16.579	E05-5-003	40,077	--	40,077
Police Electronic Equipment Enhancement	170..432102	16.579	P05-5-020	853	--	853
Integrated Criminal Apprehension (ICAP)	170..432102	16.579	B03-5-011	6,311	2,103	8,414
Integrated Criminal Apprehension (ICAP)	170..432102	16.579	B04-5-016	81,010	27,004	108,014
Constable DARE Grant	170..432102	16.579	E06-5-002	77,948	--	77,948
Constable DARE Grant	170..432102	16.579	E05-5-002	13,259	--	13,259
City Constable Electronic Equipment	170..432102	16.579	P05-5-021	789	--	789
SUBTOTAL CFDA NUMBER 16.579				220,247	29,107	249,354
Juvenile Accountability Block Grant	170..432102	16.523	A03-8-019	192,200	--	192,200
Total U.S. Department of Justice				1,198,301	44,154	1,242,455
U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)						
<u>Direct Programs:</u>	121011					
EPA Brownsfields Assessment Grant	170..431605	66.818	BF-976460-01	98,019	--	98,019
EPA Petroleum Assessment Grant	170..431605	66.818	BF-96603701-01	1,596	--	1,596
Total U. S. Environmental Protection Agency				99,615	--	99,615

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE A
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>						
<u>Passed through LA Endowment for the</u>						
<u>Humanities</u>						
Public Humanities Program	121113 170..432502	45.129	04-772-263	\$ 17,289	\$ --	\$ 17,289
TOTAL FEDERAL GRANTS - SCHEDULE A				\$ 56,942,734	\$ 1,879,089	\$ 58,821,823

See Notes to Schedule of Expenditures of Federal Awards.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE B

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
FEDERAL GRANTS						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>Direct Programs:</u>						
<u>Federal Aviation Administration:</u>	482..121007					
Rehabilitate Runway 4L-22R, Phase I	482..431219	20.106	3-22-0006-54	\$ 909,240	\$ --	\$ 909,240
Residences & Easements within 65-69 DNL		20.106	3-22-0006-56	303,831	--	303,831
Rehabilitate Runway 4L-22R, Phase II		20.106	3-22-0006-57	473,833	--	473,833
Construct Service Road - Phase II		20.106	3-22-0006-59	(88,109)	--	(88,109)
Soundproof Residences Within 65-70 DNL		20.106	3-22-0006-61	4,403,379	--	4,403,379
Rehabilitate Runway 4L-22R Phase III		20.106	3-22-0006-62	(27,169)	--	(27,169)
Improve of Runway 4L Safety Area		20.106	3-22-0006-63	1,397,975	--	1,397,975
Environmental Assessment & Benefit Cost Analysis		20.106	3-22-0006-64	31,247	--	31,247
Aircraft Apron Drainage & Runway 4L-Phase II		20.106	3-22-0006-65	2,626,978	--	2,626,978
Noise Mitigation & Acquire Easements within 65DNL		20.106	3-22-0006-66	1,994,537	--	1,994,537
Improve Runway 4L Safety Area - PH III		20.106	3-22-0006-67	233,014	--	233,014
Conduct Update of Part 150 Noise Safety		20.106	3-22-0006-68	166,802	--	166,802
Noise Mitigation of Public Buildings		20.106	3-22-0006-69	426,101	--	426,101
Total U.S. Department of Transportation - FAA				12,851,659	--	12,851,659
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
<u>Passed through Louisiana:</u>						
<u>Department of Military Affairs</u>	121126					
Emergency Management Performance Grant -2005	001..432103	97.042		76,072	--	76,072
Hurricane Ivan Reimbursement	001..432103	97.036		14,586	--	14,586
Total Department of Homeland Security				90,658	--	90,658
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Passed through Louisiana:</u>						
<u>Office of Youth Development</u>	121127					
Juvenile Services - Title IV-E	171..432104	93.658		347,874	726,177	1,074,051
Total U.S. Department of Health and Human Services				347,874	726,177	1,074,051

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

SCHEDULE B
(Continued)

<u>Name of Grants & Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)	121011					
Direct Programs:						
Wastewater Systems Improvements	449.431605	66.606	XP98635001-0	\$ 48,836	\$ 39,957	\$ 88,793
Wastewater Systems Improvements	449.431605	66.606	XP986109-01-0	177,440	145,178	322,618
SUBTOTAL CFDA NUMBER 66.606				226,276	185,135	411,411
Passed through Louisiana Department of Environmental Quality						
Capitalization Grants for Clean Water State Revolving Funds	438.xxxxxxx	66.458		5,573,989	--	5,573,989
Total U. S. Environmental Protection Agency				5,800,265	185,135	5,985,400
TOTAL FEDERAL GRANTS - SCHEDULE B				\$ 19,090,456	\$ 911,312	\$ 20,001,768

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Notes to Schedule of Expenditures of Federal Awards
For The Year Ended December 31, 2005

Note A – General

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (the city-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note B – Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified or full accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2005. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures (modified accrual). Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded (full accrual accounting).

Note C – Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

Note D – Subrecipients

The City-Parish provided federal awards to subrecipients as follows:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Workforce Investment Act Youth Program	17.259	\$ 1,577,334
Supportive Housing Program	14.235	1,412,838
Federal Transit Administration Capital Assistance	20.507	<u>322,349</u>
Total		<u>\$ 3,312,521</u>

Note E – Loan Assistance

The City-Parish had outstanding loans receivable at December 31, 2005 in the following programs:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
HOME	14.239	\$11,107,569
Community Development Block Grant Blended (HOME and CDBG)	14.218	4,030,680
		<u>1,863,981</u>
		17,002,230
Allowance for loan losses		<u>(13,601,784)</u>
Total		<u>\$ 3,400,446</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

EIN 726000137

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

A. Summary of Auditors' Results:

Financial Statements

Type of auditor's report issued:	Unqualified		
• Material weakness(es) identified?	_____	yes	<u> x </u> no
• Reportable condition(s) identified that are not considered to be material weaknesses?	<u> x </u>	yes	_____ none reported
Noncompliance material to financial statements noted?	_____	yes	<u> x </u> no

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	_____	yes	<u> x </u> no
• Reportable condition(s) identified that are not considered to be material weaknesses?	<u> x </u>	yes	_____ none reported

Type of auditor's report issued on compliance for major programs:	Unqualified
-------------------------------------------------------------------	-------------

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<u> x </u>	yes	_____ no
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.235	Supportive Housing Program
14.218	Community Development Block Grant
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
93.600	Head Start
97.036	Department of Homeland Security Public Assistance Grants
20.106	Airport Improvement Grants
66.458	Capitalization Grants for Clean Water - State Revolving Funds

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,280,996.
- The City of Baton Rouge and Parish of East Baton Rouge qualifies as a low-risk auditee.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

B. Findings - Financial Reporting

2005-1) Accounting for loans receivable under the Community Development Block Grant Programs

Criteria: Proper internal control over loans receivable provides for the accuracy and completeness of loans receivable reported on the balance sheet and for accurate information for purposes of monitoring the loan portfolio. A subsidiary ledger of loans outstanding should be maintained as well as current information regarding the payment due dates, maturity dates, delinquency status and payment amounts.

Condition: The subsidiary loan trial balance and other reports used in the administration of the loan portfolio contained several errors, including:

- A loan outstanding of approximately \$397,000 was repaid in entirety, yet remained on the balance sheet and on the loan ledger at year-end (before adjustment).
- Out of a sample of 40 loans tested, inconsistencies existed between the loan documentation/payment history information and data included on the loan servicing reports:
 - First payment due dates (2)
 - Maturity dates (1)
 - Payment amounts (2)
 - Two loans were listed as delinquent, however, one of these loans was actually current.

Such errors bring into question the reliability of the reports being utilized.

Cause: The City outsources the servicing of the loans portfolio. It is unknown at this time whether the cause for the errors lies in the software utilized by the entity servicing the loans, or in the process by which the data is entered by the Office of Community Development (OCD) staff.

Effect: The amounts reported in the Grants Fund for loans receivable could be inaccurate and critical information needed to make collection efforts could be erroneous.

Recommendations: The process by which information is input into the servicing software should be revisited to ensure that all collections are posted and that all critical data is accurate.

Management's Response: *OCD management has been aware of problems with the accuracy of some of the information on the portfolio report for some time and is taking steps to limit these errors. It is expected that within the coming year all of the existing errors will be corrected and that a process will be in place to help ensure that no new errors are habitually on the report.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

EIN 726000137

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

C. Findings - Federal Award Programs

Department of Housing and Urban Development

14.235 Supportive Housing Program

Grant Number: LA 48-B404-005

2005-2)

Reporting

Questioned Costs: \$22,909

Criteria: Accounting records of grant recipients must clearly account for each grant program's activities in order to provide the grantor with accurate and meaningful reports. Certain internal controls are needed in order to maintain accurate books, including reconciliation of the amounts drawn per the federal agencies' records, accounting records, and those of the City.

Condition: In our testing of disbursements of the program, we noted instances where costs of the HOPWA program were charged to the Supportive Housing grant. Such costs were subsequently reclassified by the City upon discovery of evidence that the mispostings occurred. Without inadvertent discovery of that evidence, the misposting would likely have gone undetected. Such mispostings reveal a lack of ongoing reconciliation between the federal agencies' accounting records and the City's.

Effect: This condition could result in erroneous reports filed with the federal agency as well as over or under expenditure in the various federal programs administered by the City's Office of Community Development.

Recommendation: The City's accounting records should be reconciled with the federal agencies records on a quarterly basis in an effort to detect such mispostings.

Management's
Response

The mispostings referred to above occurred during a period of time when the OCD was implementing a new system for the payment of HOPWA and Supportive Housing rental payments. We believe that these errors were isolated instances of miscommunication with the Information Services department. Additional controls have now been placed in effect to review checks and accounts charged.

14.218 Community Development Block Grant

Grant Number: B-XX-MC-22-0002

2005-3)

Program Income

Questioned Costs: Undetermined

Criteria: The OMB Common Rule encourages grantees to generate program income to defray the program costs.

Condition: The grantee, while designing its program to collect program income by way of collection of loan repayments, has established a formalized process and policy for pursuing collection of delinquent loan payments. Grantee staff did not provide evidence that these procedures were being consistently followed on delinquent accounts.

Effect: The grantee may be foregoing program income that it may have generated had this formalized process been followed.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (Continued)
2005-3) Program Income (Continued)

Recommendation: Grantee staff should consistently adhere to the written policy and procedures and document compliance with those procedures.

**Management's
Response**

We requested from the auditor a listing of the instances where it was felt that the OCD was not following its written procedures. A list of the borrowers was given to the OCD. We compared the list to the files and found that in each case letters had been sent to the borrowers that informed them they were behind. Additional letters were sent that referred them to post purchase counseling at the Mid-City Homeownership Center. We have copies of the intake at Mid-City and the note that gives the terms that the borrower will follow. The auditor indicated that these persons were still showing up on the portfolio as delinquent. That is true. The plan was not necessarily to catch them up over a short period but rather to give them the chance to catch up over whatever period was necessary given the limited resources of the program clientele. We consider this approach to be sound and within the intent of both the OCD and U.S. Department of Housing and Urban Development (HUD). While HUD does encourage program income, the primary mission is the provision of standard, affordable housing for people of low and moderate income. It is our belief that forgoing some immediate program income to work with individuals to maintain their housing is a reasonable use of resources and does not represent a reportable condition.

97.036 Public Assistance Grants - Federal Emergency Management Agency (FEMA)

Grant Number: PW 338-VI

2005-4) Procurement, Suspension and Debarment **Question Costs: \$ 265,195**

Criteria: FEMA's "Debris Management Brochure-FEMA 329" disallows use of cost plus contracts for debris removal and disposal.

Condition: The contract under which the City disposed of debris caused by Hurricanes Katrina and Rita, while largely based upon unit pricing as allowed by FEMA, contained a cost plus component. The cost plus component called for payment to the contractor for labor and transportation costs plus 15% of such costs incurred for the separation and transportation of non-green debris.

Effect: Costs of up to \$265,195 may be disallowed by FEMA or the State of Louisiana, the grant administrator.

Recommendation: The City should carefully review all contracts for debris removal and disposal for cost plus provisions. Should the contract contain such provisions, the contract should be amended to contain only acceptable types of contracts.

**Management's
Response**

The contract that was utilized for disposal and staging was an existing contract that was competitively bid in October of 2004, with an effective date of March 2, 2005. A copy of the contract was provided to FEMA officials within the first week following the storm. Verbal approval was granted for the City-Parish to utilize the contract. The City-Parish will carefully review all future contracts for debris removal and disposal. Any contract containing cost plus provisions will be amended or not utilized in future disaster clean-up.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

EIN 726000137

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

U. S. Department of Transportation

20.106 Airport Improvement Program

Grant Numbers: 3-22-0006-5402 3-22-0006-065-2004
3-22-0006-061-2003 3-22-0006-066-2004

2005-5) Cash Management *Questioned Costs: \$507,136*

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the federal government. Such practice ensures that cash drawn from the U.S. Treasury is not held for unnecessary periods of time by the grant recipient entity.

Condition: The City held \$507,136 in cash at December 31, 2005, and also held excess federal funds at other points of time during the year.

Cause: The excess cash on hand was a result of cash draw-downs in excess of costs disbursed. Draw-downs of amounts retained on contractor billings was a factor in the build-up of excess cash.

Effect: The City is in violation of the cash management requirements of OMB Circular A-102.

Recommendation: The City should only draw-down grant funds after costs have been paid. Retainage on contractor billings should only be drawn at the time the retainage is actually disbursed.

Management's Response *The Baton Rouge Metropolitan Airport will draw only the amount that is actually paid to the contractors. To correct the over draw from 2005, a negative request will be made to the FAA for the retainages that have not been paid.*

93.600 Headstart

Grant Number: 06 CH0065/28

2005-6) Matching *Questioned Costs: None*

Criteria: Recipients of Headstart grant funds are required to contribute local funds at a rate of 20% of the total costs of the program. Matching should be demonstrated with an accurate accounting of the contributed costs.

Condition: In the document which accounts for the City's matching contributions, several mathematical errors occurred in tabulating volunteer hours that the program counts toward local matching contributions.

Effect: The required match was in fact met when taking into account any corrections necessary as a result of the mathematical errors, due to the matching sources greatly exceeding the required amount. However, amounts reported for volunteer hours should be accurate in order that management, as well as grantors, may appropriately analyze the amount of contributions from each source.

Recommendation: Care should be taken by the staff person who is responsible for tabulating volunteer hours to accurately sum the number of volunteer hours per month. Additionally,

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

EIN 726000137

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

93.600 Headstart (Continued)
2005-6)

Matching (Continued)

Recommendation
(Continued)

this person's tabulation and calculations should be reviewed closely, and perhaps audited by the City-Parish Finance Department's accountant who is in charge of the program's funds and preparation of federal reports.

Management's
Response

The City-Parish Department of Human Services Fiscal Unit is presently revising systems for calculating required documented match for the Head Start Program. A computerized system for the input of data will be implemented for greater accuracy in calculating this information, as well as for more uniformity in the format used by each Head Start Center for submitting this information to the Fiscal Unit. This system will also promote the timeliness of capturing this information. Once submitted to the Fiscal Unit, the Accountant II checks for accuracy of information and calculations. However, starting immediately, a second check will be performed by another accountant and/or the Fiscal Unit Manager for accuracy before submitting to the Finance Department for recording. This will greatly eliminate the possibility of lost countable match.

2005-7)

Earmarking requirements

Questioned Costs: None

Criteria:

Ninety percent of all children served in the program must come from low-income households.

Condition:

While the City's Head Start administration considers eligibility of children based upon family income at the time of application, the administration does not formally quantify and track the number of low-income participants admitted to the program to ensure compliance with the 90% low-income participation requirement.

During testing of this requirement, the documentation provided by the program administration through its database software which tracks participants who do not meet the low-income guidelines was determined to be inaccurate. Therefore, the report could not be relied upon to determine if the 90% low-income participation rule was met.

Effect:

The City cannot document compliance with the 90% low-income participation rule.

Recommendation:

The program administration should formally quantify the number of low-income children admitted into the program to ensure compliance with the 90% low-income requirement.

In addition, the program administration should establish procedures to ensure the accuracy of the information being maintained in the participant database to ensure reporting from this system can be relied upon to track participants who do not meet the low-income guidelines.

Management's
Response

The City-Parish Department of Human Development and Service's Head Start Family Information System (HSFIS) does formally quantify and track the number of low income participants admitted into the Head Start Program and we believe that we are in compliance with the 90% low income requirement. However, due to the failure to properly input income information from the families' files into the

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

EIN 726000137

Schedule of Findings and Questioned Costs

Year Ended December 31, 2005

93.600 Headstart (Continued)
2005-7)

Earmarking requirements (Continued)

Management's
Response
(Continued)

system, some of the tracking may have been incomplete. The agency will ensure compliance with the 90% low-income participant requirement, by implementing a bi-weekly procedure of monitoring the HSFIS reports ensuring that all data elements are input completely.

Environmental Protection Agency

(Passed through the Louisiana Department of Environmental Quality)

66.458 Capitalization Grants for Clean Water State Revolving Funds

Grant Number: CS 1012-01

2005-8)

Procurement, Suspension and Debarment

Questioned Costs: N/A

Criteria:

Under the provisions of the U.S. Government's non-procurement suspension and debarment common rule, an entity is prohibited from contracting with vendors that are suspended or debarred relative to its federal award programs. Under these provisions, an entity must verify that a vendor is not suspended or debarred under transactions that are expected to equal or exceed \$25,000. This verification may be accomplished through a review of the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), which can be accessed on the Internet (<http://epls.arnet.gov>), or by obtaining a signed certification of non-debarment or suspension from the vendor.

Condition:

The City did not obtain verification of non suspension and debarment for the engineering firms under contract.

Effect:

The city is non compliant with its responsibilities to ensure against contracting with suspended or debarred businesses.

Recommendation:

Procedures should be implemented to document compliance with the suspension and debarment provisions for all program contracts in excess of \$25,000.

Management's
Response

The City-Parish Department of Public Works (DPW) checked with the Louisiana Department of Environmental Quality concerning suspension and debarment previous to the drawdown of state revolving loans funds. DPW was verbally instructed that the state checked for suspension and debarment on construction contracts but not on engineering contracts.

DPW has obtained a copy of the disbarment certification for engineering contracts and will instruct the City-Parish Purchasing Division to complete the certification on all future awards of engineering contracts for projects financed with federal funds.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

U. S. Department of Housing and Urban Development

14.218 Community Development Block Grant

Grant Number: B-XX-MC-22-002

2005-9) Reportable Condition in Internal Controls over Financial Reporting

A reportable condition in internal controls over financial reporting is reported as a finding related to the financial statement audit as item 2005-1 under section B of this report. That reportable condition also affected the City's ability to comply with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* for program income.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2004

2004-1) **14.235 Supportive Housing Program**

Department of Housing and Urban Development

Grant No.'s LA 48-B97-01
LA 48-B90-40
LA 48-B00-40
LA 48-B10-40
LA 48-B20-40
LA 48-B30-40

Monitoring Sub-recipients

Questioned costs: undetermined

Criteria: OMB Circular A-133 indicates that a pass-through entity is responsible for during-the-award monitoring and for ensuring that required audit reports are obtained and reviewing the results of those audits.

Condition: Certain aspects of the program administration's monitoring process could benefit from enhancement. While the administration's process for reviewing sub-recipient requests for reimbursement generally allows for a level of assurance for allowable costs, certain other aspects of grant compliance can best be ensured through on-site monitoring visits and from reviewing Single Audit reports. We noted the following deficiencies with regard to the Program's monitoring program:

- Monitoring visits, while sometimes conducted, were infrequent (3 out of 13 were conducted) and were not performed according to a pre-set schedule.
- Out of 13 subrecipients, only 4 audits were current.
- For one larger sub-recipient, Options Villa, the sub-recipient's reimbursement requests were not accompanied by supporting invoices, as is the procedure for all other sub-recipients.

Effect: A pass-through entity must execute its monitoring responsibilities to help ensure program compliance by the subrecipient. Failure to carry out all appropriate aspects of a monitoring program presents a risk that non-compliance could exist at the subrecipient level without timely detection by the pass-through entity.

Recommendations: The administration should develop a plan for conducting site visits based on a risk-based criteria that decides priority and frequency. Based upon this selection process, the date and time of those visits should be agreed to by the subrecipient scheduled. For those sub-

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2004

2004-1) **14.235 Supportive Housing Program-(Continued)**

Department of Housing and Urban Development (Continued)

recipients that are not required to submit supporting documentation of charges with reimbursement requests, sample testing of costs should be conducted upon the site visit.

We recommend that required audits be obtained on a timely basis. Corrective action plans should be obtained and monitored. Furthermore, we suggest the involvement of an accountant or auditor experienced in governmental accounting and auditing to review the submitted audits for significant findings and compliance with OMB Circular A-133.

Management's Response: *SHP grants are for a three year period, and all subrecipients will be monitored at least once during the period. Monitoring is prioritized according to the following:*

- *Subrecipient receiving a grant for the first time.*
- *Subrecipient was monitored in a prior year and deficiencies were found.*
- *Subrecipient is required to have a Single Audit.*

Additionally, the U.S. Department of Housing and Urban Development conduct site visits, therefore, it is possible for a subrecipient to be monitored multiple times.

Updated Response:

Item 1: The City-Parish has the policy that it will do on-site monitoring following risk-based criteria. The criteria that the Office of Community Development (OCD) uses to determine who will be monitored in any one year are:

- *All first year subrecipients.*
- *Subrecipients that have had findings in an audit or upon a monitoring visit conducted by HUD or the City-Parish in the last three years.*
- *High-risk awards (those in excess of the single audit requirement) which in 2004 was \$500,000.*
- *Any program not monitored in the last three years.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2004

2004-1) **14,235 Supportive Housing Program-(Continued)**

Department of Housing and Urban Development (Continued)

Updated Response (Continued):

Under the conditions of the OCD risk-based approach, there may only be a few subrecipients that are monitored on-site in any one year but it is assured that all subrecipients will be monitored during the life of their award.

Item 2: The cited Circular, OMB A-133, states that audits be performed for all subrecipients that expended more than \$500,000 in Federal funds in a year and makes exempt any agency that expends less. Subpart B, subparagraph (d) of the Audit Requirements states:

"Exemption when Federal awards expended are less than \$300,000 (\$500,000 for fiscal years ending after December 31, 2003). Non-Federal entities that expend less than \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in section 215 (a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office."

For the period audited, none of the agencies receiving funds as a pass-through from the City-parish received an award in excess of \$500,000. In fact, the largest award was for \$181,684 to Catholic Community Services. Only two awards were in excess of \$100,000. The audits that were "current" were for the agencies for which these would have been required due to their total Federal awards exceeding the \$500,000 threshold.

Item 3: Options Villa is now required to submit back-up generally equivalent to the other subrecipients.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2004

			<u>Questioned Costs</u>
2004-2)	93.600	<u>Headstart (Department of Health and Human Services)</u>	06H006527 \$ 245,100
	14.218	<u>Community Development Block Grant (Department of Housing and Urban Development)</u>	B-04-MC-22002 104,380
	93.569	<u>Community Service Block Grant (Department of Housing and Urban Development)</u>	FY-04P0019 32,490
	17.258-260	<u>WIA Cluster, Passed through Louisiana Department of Labor</u>	FY2004 <u>73,390</u>
		Total	<u>\$ 455,360</u>

Criteria: OMB Circular A-87 (the Circular) sets forth specific criteria that must be met in order for costs to be charged to federal grants. With regard to post-employment health insurance benefits, the Circular indicates that such costs may be charged on a pay-as-you-go method or an acceptable actuarial cost method. The City uses the pay-as-you-go method.

When using the pay-as-you-go method, costs are limited to actual payments to retirees or their beneficiaries. Cost must be allocable to the program being charged.

Condition: The City uses the pay-as-you-go method; however, the post-employment health costs charged do not represent actual payments of benefits for retirees of those programs. Instead, the costs are charged using an allocation of total retiree benefit premiums based upon each fund/department's payroll in relation to the total. Such an allocation method may result in costs being charged which are not allocable to the programs and thus would not comply with the criteria of OMB Circular A-87.

Effect: The City may have charged unallowable costs to the federal programs.

Recommendation: Assuming the City continues to utilize the pay-as-you-go method, cost charged should be limited to those that are identifiable to retirees of those programs. The City may want to consider funding post employment health insurance under an accepted actuarial method.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EIN 726000137
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2004

2004-2) **Various Programs (Continued)**

Management's Response:

The City-Parish allocates post-employment health care costs attributable to premiums only, based on a percentage of payrolls of all participating employers. All funds of the government are assessed for this cost, including grants. Premiums for post-employment health costs are real expenses and are an obligation created by our policy that provides health care benefits to retirees. Retirees are only eligible due to their long-term employment. Therefore, it is reasonable to allocate a charge for these costs to employers.

Determining the exact cost of health care for retirees is much more difficult than determining the cost of health care premiums for them. The City-Parish is in the process of engaging an actuary to determine the cost of post-employment health care for retirees. Governmental Accounting Standards Board (GASB) Statements Number 43 and Number 45 will require that the City-Parish identify these costs and include them in financial statements in either 2006 or 2007, depending on the decision as to whether a formal plan will be established to account for this liability. Therefore, we will be capable of quantifying the present and future costs of retiree health care in the very near future. We believe that the actual cost will far exceed costs now being allocated to various funds.

Once a cost is determined, the question of how to allocate it to funds will arise. We are aware that other very large governments are assessing the cost of retiree health insurance premiums based on the number of full time equivalent positions. It appears that this method or an allocation as a percentage of payroll, as is currently done with our pension system, should be acceptable. These methods will assist in addressing the mobility of employees as they work for various entities during their careers.

In conclusion, we believe that our current method of allocating these costs is fair, especially recognizing that they will be determined to be a small percentage of the actual cost of providing retiree health care. Furthermore, any issues relative to these matters should be resolved in the very near future as we complete the actuarial study and begin to report these costs based on generally accepted accounting principles in compliance with new standards.

Updated Response:

On August 10, 2005, the City-Parish entered into an agreement with Stanley, Holcombe and Associates, Inc. to provide actuarial services relative to the implementation of GASB Statements Number 43 and Number 45. As of May 2006, the study is still in progress.



FORM **SF-SAC**
(5-2004)U.S. DEPT. OF COMM.—Econ. and Stat. Admin.—U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RETURN
TO****Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132****PART I GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)****1. Fiscal period ending date for this submission**Month Day Year
12 / 31 / 2005Fiscal Period End Dates Must
Be In 2004, 2005, or 2006**2. Type of Circular A-133 audit**1 ☒ Single audit 2 ☐ Program-specific audit**3. Audit period covered**1 ☒ Annual 2 ☐ Biennial 3 ☐ Other - Months**4. FEDERAL
GOVERNMENT
USE ONLY**Date received by
Federal clearinghouse**5. Auditee Identification Numbers****a. Primary Employer Identification Number (EIN)**

72 - 6000137

b. Are multiple EINs covered in this report? 1 ☐ Yes 2 ☒ No**c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.****d. Data Universal Numbering System (DUNS) Number**

07 - 194 - 8301

e. Are multiple DUNS covered in this report? 1 ☐ Yes 2 ☒ No**f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.****6. AUDITEE INFORMATION****a. Auditee name** CITY OF BATON ROUGE-PARISH OF
EAST BATON ROUGE**b. Auditee address (Number and street)**

222 ST. LOUIS STREET

City

BATON ROUGE

State

ZIP + 4 Code

LA

70821-1471

c. Auditee contact

Name

KATHLEEN KREKO

Title

ACCOUNTING MANAGER

d. Auditee contact telephone

(225) 389 - 3318

e. Auditee contact FAX

(225) 389 - 7831

f. Auditee contact E-mail

KKREKO@BRGOV.COM

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official

Date

Kathleen Kreko 06/22/06

Printed Name of certifying official

KATHLEEN KREKO

Printed Title of certifying official

ACCOUNTING MANAGER

7. AUDITOR INFORMATION (To be completed by auditor)**a. Auditor name**

POSTLETHWAITE & NETTERVILLE APAC

b. Auditor address (Number and street)

8550 UNITED PLAZA BLVD

City

BATON ROUGE

State

ZIP + 4 Code

LA

70809-

c. Auditor contact

Name

JOEY RICHARD

Title

DIRECTOR

d. Auditor contact telephone

(800) 201 - 7332

e. Auditor contact FAX

(225) 922 - 4611

f. Auditor contact E-mail

JRICHARD@PNCPA.COM

g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor

Date

6/22/06

PART II**FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report

Mark either:

1 ☒ Unqualified opinion ORany combination of: 2 ☐ Qualified opinion 3 ☐ Adverse opinion 4 ☐ Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report?

1 ☐ Yes 2 ☒ No

3. Is a reportable condition disclosed?

1 ☒ Yes 2 ☐ No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness?

1 ☐ Yes 2 ☒ No

5. Is a material noncompliance disclosed?

1 ☐ Yes 2 ☒ No**PART III****FEDERAL PROGRAMS (To be completed by auditor)**

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12)

1 ☒ Yes 2 ☐ No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b))

\$ 2,280,996

3. Did the auditee qualify as a low-risk auditee? (§ .530)

1 ☒ Yes 2 ☐ No

4. Is a reportable condition disclosed for any major program? (§ .510(a)(1))

1 ☒ Yes 2 ☐ No - SKIP to Item 6

5. Is any reportable condition reported as a material weakness? (§ .510(a)(1))

1 ☐ Yes 2 ☒ No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4))

1 ☒ Yes 2 ☐ No

7. Were Prior Audit Findings related to direct funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b))

1 ☒ Yes 2 ☐ No

8. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

08 ☐ U.S. Agency for International Development83 ☐ Federal Emergency Management Agency43 ☐ National Aeronautics and Space Administration98 ☐ Social Security Administration10 ☐ Agriculture39 ☐ General Services Administration89 ☐ National Archives and Records Administration19 ☐ U.S. Department of State23 ☐ Appalachian Regional Commission93 ☒ Health and Human Services06 ☐ National Endowment for the Arts20 ☒ Transportation11 ☐ Commerce87 ☐ Homeland Security06 ☐ National Endowment for the Humanities21 ☐ Treasury94 ☐ Corporation for National and Community Service03 ☐ Institute of Museum and Library Services06 ☐ National Endowment for the Humanities82 ☐ United States Information Agency12 ☐ Defense15 ☐ Interior47 ☐ National Science Foundation64 ☐ Veterans Affairs84 ☐ Education16 ☐ Justice07 ☐ Office of National Drug Control Policy00 ☐ None81 ☐ Energy17 ☐ Labor59 ☐ Small Business Administration☐ Other - Specify:68 ☐ Environmental Protection Agency09 ☐ Legal Services Corporation

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives ☒
- and, if not marked above, the Federal cognizant agency ☐

Count total number of boxes marked above and submit this number of reporting packages

4

FORM SF-SAC (5-2004)

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR			10. AUDIT FINDINGS						
Federal Agency Prefix ¹	CFDA Number	Research and development ²	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
						Major program	If yes, type of audit report ³ (h)		
1 4 .218		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	\$ 5,039,332.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	J	2005-3,2005-9
1 4 .239		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOME INVESTMENT PARTNERSHIPS PROGRAM	\$ 1,903,688.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .235		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUPPORTIVE HOUSING PROGRAM	\$ 1,412,838.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	B	2005-2
1 4 .241		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$ 1,102,008.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .231		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER GRANTS PROGRAM	\$ 177,630.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .231		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER GRANTS PROGRAM	\$ 112,501.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .156		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MODERATE HOUSING ASSISTANCE	\$ 1,506,686.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .871		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SECTION 8 HOUSING CHOICE VOUCHERS	\$ 27,161.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 4 .278		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PARKING STRUCTURE FEASIBILITY STUDY	\$ 3,912.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9 3 .233-01-0051		1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 43,665.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 76,033,190.00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed

B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

E. Eligibility

F. Equipment and real property management

G. Matching, level of effort, earmarking

H. Period of availability of Federal funds

I. Procurement and suspension and debarment

J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other

PART III**FEDERAL PROGRAMS - Continued****9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) (a)	Audit finding reference number(s) (b)
Federal Agency Prefix (a)	Extension (b)					Major program	III yes, type of audit report 3 (h)		
9	3 .600	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEAD START	\$ 8,563,717.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	G	2005-6, 2006-7
9	3 .008	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	MEDICAL RESERVE CORPS SMALL GRANT PROGRAM	\$ 1,551.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .243	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	\$ 150,229.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOW-INCOME HOME ENERGY ASSISTANCE	\$ 984,484.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .569	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY SERVICES BLOCK GRANT	\$ 974,719.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	3 .283	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CENTERS FOR DISEASE CONTROL AND PREVENTION	\$ 33,700.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .044	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ASSISTANCE TO FIREFIGHTERS GRANTS	\$ 126,221.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .233-01-0081	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 11,484.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .071	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 103,451.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
9	7 .039	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HAZARD MITIGATION GRANT	\$ 9,109.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 76,033,190.00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See instructions)³ If major program is marked "Yes," enter only Q.N.G. letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed

B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

⁵ N/A for NONE

E. Eligibility

F. Equipment and real property management

G. Matching, level of effort, earmarking

H. Period of availability of Federal funds

I. Procurement and suspension and debarment

J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other

PART III FEDERAL PROGRAMS - Continued**9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		If yes, type of audit report 3 (h)	10. AUDIT FINDINGS	
Federal Agency Prefix 1	Extension 2					(b)	(a)		Type(s) of compliance requirement(s) 4	Audit finding reference number(s) 5
9	7	008	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	URBAN AREAS SECURITY INITIATIVE GRANT	\$ 759,497.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9	7	053	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITIZEN CORPS	\$ 4,918.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
8	3	562	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY PREPAREDNESS REGIONAL PLANNING	\$ 1,603.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9	7	036	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DISASTER GRANTS-PUBLIC ASSISTANCE	\$ 19,302,339.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	U		I	2005-4
9	7	004	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATE DOMESTIC PREPAREDNESS EQUIPMENT SUPPORT PROGRAM	\$ 506,575.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9	7	024	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$ 23,678.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2	0	507	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEDERAL TRANSIT-FORMULA GRANTS	\$ 322,349.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2	0	205	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIGHWAY PLANNING AND CONSTRUCTION	\$ 2,582,850.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2	0	505	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANTS	\$ 53,860.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
2	0	703	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	\$ 12,463.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
TOTAL FEDERAL AWARDS EXPENDED					\$ 76,033,190.00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed

B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

⁵ N/A for NONE

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F. Equipment and real property management

G. Matching, level of effort, earmarking

H. Period of availability of Federal funds

I. Procurement and suspension and debarment

J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other

PART II FEDERAL PROGRAMS - Continued**9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
Federal Agency Prefix ¹ (a)	Extension ² (b)					Major program (g)	If yes, type of audit report ³ (h)		
8	1 042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PROGRAM	\$ 139,374 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATE ADMINISTRATIVE MATCHING GRANTS FOR FOOD STAMP PROGRAM (LAJET)	\$ 239,593 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 555	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NATIONAL SCHOOL LUNCH PROGRAM	\$ 20,402 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 553	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SCHOOL BREAKFAST PROGRAM	\$ 31,670 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CHILD AND ADULT CARE FOOD PROGRAM	\$ 821,512 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	0 559	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	\$ 954,643 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1	7 UNKNOWN	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADMINISTRATION	\$ 480,652 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	7 258	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADULT PROGRAM	\$ 1,414,825 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	7 259	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-YOUTH ACTIVITIES	\$ 1,577,334 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
1	7 260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-DISLOCATED WORKERS	\$ 3,985,907 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 76,033,190 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(e)) reported for each Federal program.

A. Activities allowed or unallowed

B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

E. Eligibility

F. Equipment and real property management

G. Matching, level of effort, earmarking

H. Period of availability of Federal funds

I. Procurement and suspension and debarment

J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other

§ N/A for NONE

PART III FEDERAL PROGRAMS - Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR				10. AUDIT FINDINGS					
Federal Agency Prefix ¹	CFDA Number	Research and development ²	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
						Major program	If yes, type of audit report ³ (h)		
9 3	.558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	\$ 93,379 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.592	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOCAL LAW ENFORCEMENT BLOCK GRANT PROGRAM	\$ 129,729 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.729	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DRUG-FREE COMMUNITIES PROGRAM	\$ 78,513 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.006	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NUNN-LUGAR-DOMENICI DOMESTIC PREPAREDNESS	\$ 17,269 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.588	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$ 112,458 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.738	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EDWARD BRYNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	\$ 28,800 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY PROSECUTION AND PROJECT SAFE NEIGHBORHOODS	\$ 419,085 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EDWARD BRYNE MEMORIAL FORMULA GRANT PROGRAM	\$ 220,247 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
1 6	.623	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANTS	\$ 192,200 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
6 6	.818	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	BROWNSFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	\$ 99,615 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 78,033,190 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box; if major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

⁵ N/A for NONE

PART II FEDERAL PROGRAMS - Continued**9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		Type(s) of compliance requirement(s) (a)	Audit finding reference number(s) (b)
Federal Agency Prefix 1 (a)	Extension 2 (b)					1 Yes 2 No	1 Yes 2 No		
4	5	129	PROMOTION OF THE HUMANITIES-FEDERAL/STATE PARTNERSHIP	\$ 17,289.00	1 Yes 2 No	1 Yes 2 No	O	N/A	
2	0	106	AIRPORT IMPROVEMENT PROGRAM	\$ 12,851,659.00	1 Yes 2 No	1 Yes 2 No	U	2005-5	
9	7	042	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	\$ 78,072.00	1 Yes 2 No	1 Yes 2 No	O	N/A	
9	7	036	DISASTER GRANTS-PUBLIC ASSISTANCE	\$ 14,586.00	1 Yes 2 No	1 Yes 2 No	O	N/A	
9	3	658	FOSTER CARE-TITLE VI-E	\$ 347,874.00	1 Yes 2 No	1 Yes 2 No	O	N/A	
6	6	606	WASTE WATER SYSTEMS IMPROVEMENTS	\$ 226,276.00	1 Yes 2 No	1 Yes 2 No	O	N/A	
6	6	458	CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$ 5,573,989.00	1 Yes 2 No	1 Yes 2 No	U	2005-8	
				\$.00	1 Yes 2 No	1 Yes 2 No			
				\$.00	1 Yes 2 No	1 Yes 2 No			
				\$.00	1 Yes 2 No	1 Yes 2 No			
				\$.00	1 Yes 2 No	1 Yes 2 No			
TOTAL FEDERAL AWARDS EXPENDED				\$ 76,033,190.00					

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ If major program is marked "Yes," enter only 01A letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

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B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

⁵ N/A for NONE

E. Eligibility

F. Equipment and real property management

G. Matching, level of effort, earmarking

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J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other



Postlethwaite & Netterville

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www.pncpa.com

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

The Honorable Mayor-President
and Members of the Metropolitan Council
City of Baton Rouge and Parish of East Baton Rouge:

Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (Guide), for its passenger facility charge program for the year ended December 31, 2005. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City-Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2005.

Internal Control Over Compliance

The Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2005, and have issued our report thereon dated May 26, 2006, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management, the Federal Aviation Administration and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Castellucci & McArthur

Baton Rouge, Louisiana
May 26, 2006



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
REVENUES AND DISBURSEMENTS
BATON ROUGE METROPOLITAN AIRPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>FY 2004</u> <u>Program Total</u>	<u>Quarter 1</u> <u>Jan - Mar</u>	<u>Quarter 2</u> <u>Apr - Jun</u>	<u>Quarter 3</u> <u>Jul - Sep</u>
Revenue				
Collections	\$ 13,414,806	\$ 258,601	\$ 303,197	\$ 249,755
Interest	1,016,719	--	3,301	6,367
Total Revenue	14,431,525	258,601	306,498	256,122
Disbursements				
92-01-I-00-BTR	--	--	--	--
93-02-U-00-BTR	1,510,073	(39,115)	(155,834)	--
96-03-C-00-BTR	1,290,899	--	--	--
97-04-C-00-BTR	10,075,475	105,997	99,712	375,518
00-05-C-00-BTR	921,530	21,487	24,928	24,158
Total Disbursements	13,797,977	88,369	(31,194)	399,676
Net PFC Revenue		170,232	337,692	(143,554)
PFC Account Balance (cash basis)	\$ 633,548	\$ 803,780	\$ 1,141,472	\$ 997,918

Quarter 4 Oct - Dec	FY 2005 <u>Total</u>	FY 2005 <u>Program Total</u>
\$ 584,147	\$ 1,395,700	\$ 14,810,506
19,710	29,378	1,046,097
<u>603,857</u>	<u>1,425,078</u>	<u>15,856,603</u>
--	--	--
--	(194,949)	1,315,124
--	--	1,290,899
270,984	852,211	10,927,686
26,311	96,884	1,018,414
<u>297,295</u>	<u>754,146</u>	<u>14,552,123</u>
306,562	670,932	
\$ 1,304,480	\$ 1,304,480	1,304,480
Accrued PFC revenues		429,209
Accrued interest revenues		7,048
Accrued interest payable		(46,869)
Accrued project expenses		<u>(59,503)</u>
Total Net Assets Restricted for PFC included in EXHIBIT A-8		<u>\$ 1,634,365</u>

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Kathleen Kreko

Accounting Manager

Elizabeth LeBlanc

Assistant Accounting Manager

Sharon Campbell

Debt Management Officer

Myra Dialekwa

Kim Fair

Jeannie Martin

Mary Ourso

Accounting Section Supervisors

Administrative Specialist II

Helen LaVergne

Senior Fiscal Specialist

Rosemary Acosta

Linda Hickerson

Eva Kelley

Mona Parker

Kay Tolar

Fiscal Specialist

Martha London

Kathy Mansur

Rashanda Porter

Accountant III

Cheryl Bourgeois

Shannon Hargrave

Tammy Morgan

Jeanine Romero

Accountant II

Lauren Cook

Shalanda Guttuso

Nick Vidrine

Accountant I

Tara Dearing

Thea Gauthier

Ashley Joseph

Clerical Specialist III

Jasylon Burns

Gregory Spears

Student Interns

Colby Blocker

Frederick Carter

Christopher Duncan

Megan Stevenson

Design and Production

The Image Source Inc

Stan Dark

Tara Dark



Postlethwaite & Netterville

A Professional Accounting Corporation
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May 26, 2006

**Members of the Metropolitan Council
City of Baton Rouge, Parish of East Baton Rouge
Baton Rouge, Louisiana**

We have audited the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish), for the year ended December 31, 2005, and have issued our report thereon. As part of our examination, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the accounting system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his audit of the financial statements.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we made several observations which we feel should be brought to your attention. Concerning these matters, we offer the following comments and recommendations:

2005-1)

Excess hours worked for part-time employees

Condition:

The City's internal audit department assisted us in performing tests of payroll transactions. In the performance of those tests, the department noted several instances where student or other part-time employees worked in excess of 58 hours for a pay period. Resolution #31326 establishes the policy for distinguishing part-time employees from full-time employees, limiting part-time employees to 29 hours per week. Employees working in excess of this amount should be classified as full-time, with all appropriate benefits paid, including retirement contributions.

Recommendation:

All departments should comply with resolution #31326 and cease the practice of allowing student intern/part-time employees to work in excess of 29 hours. The Human resources department may want to consider monitoring the hours of such employees to ensure that such employees are not working in excess of the limit.

Management Response:

The Auditing Division has requested a written opinion from the Parish Attorney on whether student interns can work in excess of 29 hours per week. A legal opinion is necessary because there has been inconsistency among departments in interpreting the following legal provisions:

- a. Resolution #31326 states that the student intern "...contracts will include provisions limiting the number of hours normally worked after July 1, 1991, to less than 30 hours per week..."*
- b. The current student intern contract states that, "...he or she will not normally be requested or allowed to work more than 29 hours per week."*
- c. Section 1:251 of the Code of Ordinances (Retirement Ordinance) states that "...no member shall be deemed regularly employed on or after July 1, 1991, within the meaning of this definition, if such member (1) normally works less than thirty (30) hours per week or (2) normally works less than five (5) months in a calendar year, regardless of the number of hours worked per week."*

This legal opinion will be forwarded to all departments upon issuance.

2005-2)

Documentation of time and effort by federal program employees

Condition:

Compensation costs charged to federal grants must meet the documentation requirements set forth in OMB Circular A-87. The Circular requires that all employees whose time and effort is charged exclusively to one federal program sign semi-annual certifications asserting that all time and effort was dedicated to that program for the indicated time period. The WIA and Headstart programs have employees whose compensation is charged exclusively to those programs, yet the certifications are not obtained as required by OMB Circular A-87.

Recommendation:

While the standard bi-weekly timesheets document the time worked by the employees of only those programs and supervisor approval, the timesheets lack the specific certification required by the Circular. The assurances required by the Circular should be obtained either through semi-annual certifications or through language added to the standard bi-weekly timesheets.

Management's Response:

The Department of Human Development and Services (DHDS) will correct this deficiency by adding the appropriate certification language to the bi-weekly timesheets signed by all affected DHDS employees.

2005-3)

Disaster Recovery Plan

Condition: The City of Baton Rouge does not have a full Disaster Recovery Plan (DRP) in place yet that addresses IT issues and the strategic plan necessary to become operational following a disaster. They are currently working with Dell to establish such a plan.

Recommendation: P & N recommends that the City develop a DRP that includes vendor and product names of all hardware and software in current use and the steps needed to restore all systems, beginning with the most critical system. This plan should be tested and revised annually, with in-depth training given to all personnel involved.

Management's Response: *The City-Parish Information Services (IS) Department has begun to develop a DRP plan and is currently working with Dell to install hardware and software that will address the DRP issues on our most critical systems. The DRP plan will continue to be one of our top priorities for the 2006 and 2007 work programs.*

2005-4)

Monitoring Sub-recipients

Condition: OMB Circular A-133 indicates that a pass-through entity is responsible for during-the-award monitoring and for ensuring that required audit reports are obtained and reviewing the results of those audits. On-site monitoring is an important function of the monitoring process.

The City's current policy for monitoring applies a risk – based priority for determining which projects are site-visited, and requires all subrecipients to be visited at least once every three years. Best practices provide for on-site visits once per year.

Recommendation: The OCD should consider amending its monitoring policy to require site visits to each subrecipient at a minimum of once each year.

Management's Response: *The City-Parish has (and had in place at the time of the monitoring visit) the policy that it will do on-sight monitoring following a risk-based criteria. The criteria that the OCD uses to determine who will be monitored in any one year are:*

- a. All first year sub-recipients*
- b. Sub-recipients that have had findings in an audit or upon a monitoring visit conducted by HUD of the City-Parish in the last 3 years.*
- c. High-Risk awards (those in excess of the single audit requirement) which in 2004 was \$500,000.*
- d. Any program not monitored in the last 3 years.*

Under the conditions of the OCD risk based approach, there may only be a few sub-recipients that are monitored on-sight in any one year, but it is assured that all sub-recipients will be monitored during the life of their award.

2005-5)

Davis-Bacon Wage Compliance

Condition:

Recipients of federal grants involving construction activities must monitor the contractors' payrolls to ensure that workers are paid prevailing wage rates for the geographical region. While the City's Office of Community Development obtains the payrolls from the contractors and had such payrolls on-site, evidence of review of the payrolls was not documented. The City's staff asserts that such reviews were performed.

Recommendation:

Reviews of contractor and subcontractor payrolls should be documented through signature and dating of the reviewer and kept on file, along with all correspondence to the contractors and subcontractors with respect to these reviews, if applicable.

Management's Response:

We disagree with the finding of the audit regarding signing and dating Davis-Bacon payroll certifications. The U. S. Department of Housing and Urban Development Office of Labor Relations streamlined Davis-Bacon requirements beginning in April of 1997. According to HUD, "We identified processes and paperwork that did not contribute outcomes commensurate with the effort needed. They were eliminated." (www.hud.gov/offices/olr/streamline.cfm). Item #7 on HUD's list of items to be eliminated is "Discontinue date/initial on each CPR when reviewed. The person(s) conducting reviews of certified payrolls was required to date and initial each payroll as it was reviewed. The practice of initialing and dating each payroll was discontinued because the cost benefit was less than the effort required. What is important is that the payrolls and related submissions are reviewed and any discrepancies are corrected." Since it is not a requirement, OCD does not sign or date payroll certifications as they are reviewed. They are reviewed and if there are any deficiencies, the subrecipient is notified that their contractor or subcontractor must submit corrections before OCD will reimburse any expenses related to work done by the contractor or subcontractor for the payroll period. All payroll documents and correspondence related to the correction of deficiencies is kept on file as applicable.

We believe that the implementation of these recommendations will provide the City-Parish with a stronger system of internal accounting control and have already discussed these matters with the appropriate personnel. We appreciate the cooperation received from the City-Parish's accounting and federal grant program personnel during the audit process. This report is intended solely for the information and use of the audit committee, Metropolitan Council, management, accounting and federal grant program administrators and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite : Metterville

Baton Rouge, Louisiana
May 26, 2006

Updated Responses to 2004 Management Letter

2004-1) Approval and review of time records, leave and overtime requests and consistency among departments with respect to timekeeping systems

- Condition: During testing of payroll documentation and compliance with established payroll procedures, instances of noncompliance were noted as follows:
- Time records and leave request forms were not signed by the employee and/or the supervisor, leave forms were inaccurate and/or incomplete.
 - Leave hours were incorrectly input into the payroll system.
 - Various timekeeping systems are utilized throughout the City-Parish.
 - Dissimilar forms and other documentation for attendance, payroll input and leave requests across departments.
 - Undocumented reasons for sick leave taken.
 - An instance of "burning" of sick leave prior to retirement.

Recommendation:

All departments should implement procedures to ensure that all hours worked and all leave hours taken are recorded on the attendance record signed by the employee and the supervisor. In addition, procedures should be implemented to ensure that leave requests are prepared and approved, and include an indication of the illness.

Human Resources may want to consider a review of the various timekeeping systems and forms utilized and determine if consistency could be achieved through the purchase of a biometric timekeeping system for all City-Parish departments and standardization of forms. The practice of "burning" sick leave prior to retirement should be addressed by Human Resources.

Management Response:

A memorandum stating City-Parish payroll policies and procedures was issued on June 19, 2002, to all departments and agencies. It emphasized the City-Parish's policy that each employee must personally sign an attendance record at the end of each pay period and supervisors must certify the accuracy of this record by signing or initialing it. In addition to this memo, there are payroll procedures currently posted on the MetroNet that also state that both the employee and supervisor must personally sign an attendance report at the end of each pay period.

The above referenced memo also states that after a designated employee inputs the payroll information into the payroll system, a second employee shall verify the information. This policy is also posted on the MetroNet.

Our Information Services department is recommending that in the next 3 - 4 years, we will need to purchase a new payroll system. It is hoped that the new software will include a timekeeping system to be uniformly used throughout City-Parish agencies. It is not recommended or feasible to purchase a separate timekeeping system before that time.

Human Resources is currently working with Information Services to adapt current forms to interactive forms in order to achieve consistency from the departments. We will continue to work in this area to include more of our standard payroll forms.

It is recommended that this matter be referred to the Parish Attorney's office for a written legal opinion to address privacy concerns for documenting reasons of sick leave usage.

The "burning" of sick leave issue has been referred to our Rules Committee. It is recommended that the committee make this a top priority to be addressed as soon as possible.

Updated Response:

An updated memorandum reminding all departments and agencies of City-Parish payroll policies and procedures will be issued by June 1, 2006 (see attached). It will emphasize the City-Parish's policy that each employee must personally sign an attendance record at the end of each pay period and supervisors must certify the accuracy of this record by signing or initialing it. It also states that after a designated employee inputs the payroll information into the payroll system, that a second employee should verify it. This same policy is also stated on the MetroNet for all employees to review.

Human Resources, Information Services, the Finance Department, and DPW are currently searching for a time-keeping system that can be utilized by all City-Parish departments. This process will be continued over the next few months with a goal of January, 2007 for implementation. The Department of Public Works has volunteered to be the pilot for this system.

Human Resources is currently working with Information Services to adapt current forms to interactive forms in order to achieve consistency from the departments. We will continue to work in this area to include more of our standard payroll forms.

Due to privacy issues, the Rules Committee has worked to rewrite the sick leave rule eliminating the need for a "reason" for sick leave from the Leave Request Form. This changed rule will be presented to the Personnel Board and the Metro Council for approval effective January, 2007. If sick leave abuse is suspected by an appointing authority, documentation from a physician should be requested.

The "burning of sick leave" is not and never has been a permitted practice under the Personnel Rules. This will be reiterated to all department heads in the above-mentioned memo that will be sent to them.

2004-2) Consistency in determining eligibility based on current poverty guidelines

Condition: During single audit testing of the Workforce Investment Act (WIA) - Adult and Dislocated Workers Program, it was noted that there was inconsistency in the poverty guidelines being used by the case workers to determine participant eligibility. Case workers were unclear which guidelines to adhere to and used either the Poverty guidelines listed in the LAVOS

system or the 2004 Poverty & 70% LLSI Guidelines provided by the program administration. Poverty guidelines listed in the LAVOS system were not up to date and therefore may have inadvertently turned away eligible participants.

It was also noted that the calculation of annual income for an eligible participant was not documented well and in some instances could not be recalculated.

Recommendation:

We recommend that case workers use the most recent poverty guidelines for the Baton Rouge region as determined by state and federal program authorities. In addition, WIA may want to consider implementing the use of a standardized form for calculating the annual income amount used in determining if an applicant meets the poverty guidelines. Program management could disseminate the information to caseworkers through training sessions or staff meetings.

Management Response:

All WIA Program staff will use the same poverty guidelines. Currently, we are using the 2004 Poverty & 70% LLSI Guidelines. The Poverty Guidelines listed in the LAVOS system will not be used by WIA staff. It was previously used in error. Because there are various scenarios involved in the calculating of income used for eligibility determination, the form attached will be used on a trial basis.

Updated Response:

We are using the June 2005 guidelines that were provided by LDOL.

2004-3) Approval of ITA agreements

Condition: Upon reviewing the participant files for dislocated and adult workers of the Workforce Investment Act Program, it was noted that the Program Director's duties for ITA agreements was regularly being delegated to the assistant program director. Out of the 17 files tested, 14 were signed by the assistant on behalf of the director.

Recommendation:

ITA agreements should be approved by the Program Director.

Management Response:

Effective July 1, 2005, ITAs will be signed by the WIA Program Administrator or his/her designee.

Updated Response:

The WIA Program Director is approving all ITA agreements.

2004-4) Federal Grant Administration - Workforce Investment Act (WIA)

Condition: The WIA Program consists of a cluster of similar grant programs funded by the Department of Labor. Costs charged to each grant program within the cluster must be

identified and segregated to each individual program. In charging payroll expenditures between the different grant programs within the cluster, the WIA administrative staff initially codes expenditures to the programs based upon a pre-determined percentage. Transfers are then made between the programs to reflect actual time and effort documented in time sheets. The payroll transfers to the appropriate program are made through a journal entry. In performing tests of payroll disbursements charged to the WIA programs, we noted considerable lag time between the initial posting of the payroll and the ultimate transfer to the appropriate program.

Effect: There appears to have been no effect to the total drawn from the state/federal treasury (amounts were not drawn twice). However, such a lag in transferred costs to the appropriate fund can affect the reporting of each particular grant, as well as certain administrative aspects of the grant.

Recommendation:

Costs should be charged to the appropriate fund on a timely basis. If any transfers of costs need to be performed, such transfers should be performed on a monthly basis and should include all costs for the proceeding month.

Management Response:

The percentage of each employee's hours worked has been broken down by the appropriate fund for the payroll expenditures. Bi-weekly, a payroll allocation sheet will be submitted with each employee's time and attendance showing the correct percentages for each fund.

WIA Administrative accounting staff will review the allocation quarterly and will make adjustments semi-annually.

Updated Response:

WIA Administrative accounting staff is reviewing the allocation quarterly and making adjustments quarterly.

2004-5) Inventory of Capital Assets

Condition(s): Best practices for governments in accounting for capital assets call for an inventory of property and equipment on a periodic basis, generally at a minimum of every two years. While the City has adopted this best practice, and the required inventory is conducted by most departments, we noted that the police department has not taken a complete inventory of its property and equipment within the last two years.

We also noted inconsistencies in the forms being used to document disposed capital assets/equipment records. Some departments used a standardized form, while others simply provided a list of deleted items.

Effect: The absence of a physical inventory could lead to inaccurate and out-of-date capital assets/equipment records. Undocumented disposals of capital assets could lead to a lack of accountability for such items.

Recommendation:

The physical inventory should be conducted at least once every two years for all departments. Additionally, we recommend that a standardized form be used for all departments to document capital asset disposals. The form should include pertinent information about the disposal, including date, method, and authorization.

Management Response:

Purchasing does send printouts of assets (tagged items) to all departments at least once per year for them to update. The Police Department has obviously not attached a high priority to this request.

Purchasing actually updates the report to a large extent based on items disposed of at auction and purchase of new tagged items.

Purchasing provides a standard form to document disposal of capital items. However, we will accept other forms of documentation for the file if all the information is provided. For example, the Library may provide a computer listing when disposing of a large number of items, rather transferring the data to separate forms.

Updated Response:

The Police Department has developed, distributed and is using a form for internal tracking of capital assets, and it can be used in conjunction with the City-Parish inventory control system.

The Police Department has replaced its previous inventory tracking software, "Protégé" with a less expensive software package, "Tracker", to manage and report on capital assets within the Police Department.

All reports for the 2005 Inventory Audit were forwarded to Purchasing on August 22, 2005 and finally on November 17, 2005. Although the Police Department conducts an annual inventory from printouts of tagged assets, the 2004 completed inventory was apparently lost in transit.

The Police Department is currently revising its method of tracking portable radios and should have this inventory completed by June 2006.

2004-6) Budget Law Violation

Condition: LA Revised Statute 39:1310 requires governments to amend general and special revenue fund budgets when actual revenues plus expected revenues fall short of budgeted amounts by 5% or more. The following fund's revenues fell short of budgeted amounts by 5% or more:

	<u>Budget</u>	<u>Actual</u>
● Federal Forfeited Property Fund 45.45%	\$200,000	\$109,223

Recommendation:

We recommend that all funds adhere to its adopted budget and monitor compliance. When it becomes apparent that revenues will fall short by 5% or more, the budget should be brought before the board for amendment.

Management Response:

In the future, the City-Parish will closely monitor all funds and make all budget modifications to correct projected variances of five percent or more. Additionally, the Finance Department - Budgeting Division will not appropriate funds until a check is received for the Federal Forfeited Property Fund.

Updated Response:

The Finance Department - Budgeting Division analyzes the revenue collections for all funds in the fourth quarter of each year. For any non-recurring revenue accounts, actual revenues collected must be at least 95% of revenue estimate or an adjustment is made to reduce the estimated revenues. For recurring revenues, a conservative projection is prepared for the remaining collections, and an adjustment is made to reduce estimated revenues if revenue collections are expected to be less than 95% of estimated revenues.

2004-7) Ethics Law Violation - Nepotism

Condition: La. Revised Statute 42:1112(B)(1) prohibits public servants from participating in transactions in which a member of his/her immediate family has a substantial economic interest. The individual that heads the Pretrial Diversion Program contracted his son to teach pre-trial diversion classes. This appears to be a violation of the aforementioned statute. Payments made under the contracts for 2003 and 2004 were \$3,300 and \$1,800, respectively.

Additionally, the spouse of the individual that heads the Pretrial Diversion Program is employed within his department under his supervision. According to City-Parish payroll policies and procedures, supervisors are responsible for approving time and attendance records. Such a situation lends itself to violations of the same statute.

Recommendation:

With regard to the contracts with the Program Director's son, we understand that the contracts under which these payments were made have been terminated. In an effort to prevent future violations, all department/program heads should be educated/reminded of the statute's prohibitions regarding transactions with family members.

With regard to the issue of the supervisory relationship between the Program Director and his spouse, the Program should consider alternatives to approval of the spouse's time and attendance.

Management Response:

With regard to the Program Director's son, he is no longer teaching classes for the Pretrial Diversion Program. Also, approval of leave time and attendance for the Program Director's spouse is signed by the Chief Assistant Parish Attorney as her direct supervisor, beginning in July, 2004. The department has also reminded all division heads of the language in La. R.S. 42:1112(B)(1).

Updated Response:

Neither the Program Director nor his spouse works for the Parish Attorney's Office any longer. Both of them retired in 2005.

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Department of Human Resources
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Parish of East Baton Rouge

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ANNETTE LBOOKTER, Ph.D.
Director

May 31, 2006

TO: All Department Heads

FROM: Melvin L. "Kip" Holden, Mayor-President
Brian Mayers, Council Administrator/Treasurer
Annette I. Bookter, Human Resources Director

SUBJECT: Payroll Procedures

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JUN 15 2006

FINANCE-ADMINISTRATION

General Payroll Requirements

1. All departments shall have written payroll procedures.
2. All divisions shall have a fully trained backup employee to process payroll.
3. Each division shall document employees' work schedules that deviate from the regular office or work hours of the division.

Compilation of Hours Worked

4. Each employee shall personally sign an attendance record (i.e. time sheet or time card) at the end of each pay period. Supervisors shall certify the accuracy of this record by signing or initialing it. Note: Commissioned police officers and fire fighting personnel have been authorized to continue to use roster systems.
5. All changes made to attendance records should be signed or initialed again by both the employee and supervisor, or the changes should be documented on payroll correction forms that are approved by a supervisor.
6. Each division shall maintain a system documenting employees away from their regular work site, such as an office log.
7. In addition to attendance records, each division shall maintain a written system documenting all employees on leave, including authorization (i.e. leave request forms). Documentation should be completed when leave begins rather than after the fact.
8. Reasons for overtime shall be documented on attendance records.

Input of Hours

9. The employee responsible for payroll shall verify attendance information. Before the payroll is input, a second employee shall also verify the attendance information.

Verification of Hours Input

10. Before paychecks are generated, management or their designated representative should compare the final payroll report (currently the **Hours to Gross Report**) to attendance information and certify the payroll according to the **Personnel Rules**, Rule IV, Section 13. The designated employee must be an employee not involved in payroll preparation or input.

Generation and Distribution of Paychecks

11. An employee independent of the payroll process should perform the following reviews:
 - a. Review the **Check Register** for reasonableness of paycheck amounts and material differences from the attendance information. Then, the total payroll amount per the **Check Register** should be compared to the total of the **Payroll Cost Distribution**. Any differences should be investigated.
 - b. After each pay period, review the **Year-to-Date Overtime Report** for reasonableness.
12. Paychecks should be distributed to City-Parish employees or signed for by individuals with proper authorization and identification. All unclaimed paychecks should be sent to the Treasurer's Office.

Vehicle Usage Reporting

13. When making or changing vehicle assignments, all departments must complete a **Determination of Vehicle Taxable Status (DVTS)** form and send copies to Finance-Accounting and Purchasing. If the vehicle is a pooled vehicle, this should be noted on the form and each employee commuting in the vehicle identified. Purchasing will use this information to determine the parish code (PAR U) on each vehicle.
14. Vehicle usage must be indicated either on the individual employee's attendance record each pay period, or on the Payroll Automobile Usage Information form.
15. Departments should receive an annual vehicle listing from the Purchasing Division. Each department should verify that the information on the report is correct and use the PAR U codes to verify that mileage reimbursements are being made.
16. Council Resolution 39561 requires that employees using City-Parish vehicles pay the City-Parish a mileage charge for the miles from the established 24 mile radius to their residences.



Mayor-President



Council Administrator/Treasurer